



REACHING OUT AT THE WHITE HOUSE — President Bill Clinton welcoming Prime Minister Tomiichi Murayama of Japan on Wednesday. The

president cited progress in resolving the dispute over Japan's trade surplus, but said that much more must be made, especially in the auto sector. Page 6.

Clinton Acts to Help A Mexico in Need

U.S. Interests Are at Stake, President Says

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — President Bill Clinton, seeking to calm international tremors spreading from Mexico's financial crisis, announced Wednesday that he was prepared to enlarge Washington's line of credit and declared that Mexican stability was in the "strategic interest" of the United States.

"I have instructed the Treasury, working closely with the Federal Reserve, to continue to take appropriate steps to help Mexico get through these short-term financial pressures," Mr. Clinton said.

The five-paragraph statement from the White House gave no indication of the dollar value of any further credit to Mexico beyond the \$9 billion already committed by Washington through the Treasury and the Federal Reserve.

But it strongly suggested that the White House doubts that an \$18 billion international rescue package already fashioned will be enough to impress an investment community spooked by a significantly devalued peso and plummeting Mexican equity prices.

Mr. Clinton's statement helped stabilize the Mexican stock market, which managed to recover 2.82 percent on Wednesday, after losing about 13 percent so far this week. The dollar edged down to 5.68 pesos from 5.85 pesos on Tuesday.

A Treasury Department official said that broad discussions were under way within the U.S. government to define an appropriate next step in an effort to calm the situation. Because a firm decision on that next step has not been made, the statement from the White House was viewed as an effort to buy time.

"There's a major review and discussion going on to see how else the department can contribute to easing this crisis," the Treasury official said.

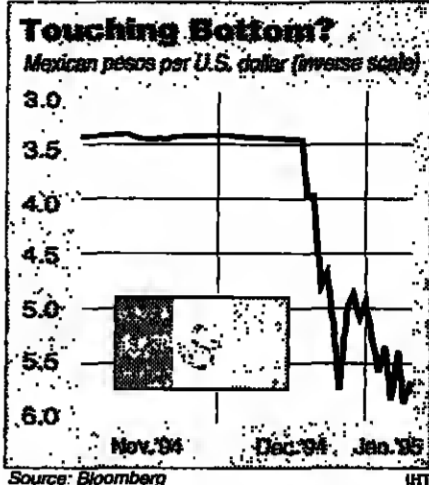
He characterized the situation in Mexico as less serious than the 1982 debt crisis that led to a wholesale restructuring of the Mexican economy.

But the official also said that a "crisis of confidence" among investors threatened not only other Latin American economies but also Asian economies that have similarly relied upon huge inflows of foreign investment.

"You don't want this to spread all around the globe, obviously," he said. At stake for the United States are a stable implementation of the North American Free Trade Agreement, efforts to expand free trade in Latin America, and perhaps most important of all, a sound Mexican economy that does not push the poor to flee illegally to the United States in search of jobs.

Mr. Clinton said he had spoken with Mexico's president, Ernesto Zedillo Ponce de Leon, and "conveyed our continued support for Mexico."

In his statement, Mr. Clinton said that, "if appropriate," he was "prepared to authorize the extension of the maturity of our existing credit facility and to increase those commitments to assist Mexico in



All at Once, New Worries Are Piling Up In Hong Kong

By Kevin Murphy
International Herald Tribune

HONG KONG — Cinema receipts are down, charity balls subdued, stocks are sick, Deng Xiaoping is reported on his deathbed, and tenants are telling landlords where to go with their rent increases. What a difference a year made to Hong Kong.

Twelve months ago, stock market bulls were trampling across historic markers and plane loads of foreign business people were arriving for an assault on the apparently limitless China market. Rents soared, and wild optimism reigned.

But now, confidence and conspicuous consumption have given way to equally excessive pessimism as Hong Kong finds itself on the end of events beyond its control, including a currency meltdown in Mexico.

"You have to have white knuckles to buy right now," said John Quinn, chief investment officer at NatWest Investment Management Asia Ltd. of the gloom that deepened in the Hong Kong stock market since Mexico's currency crashed and emerging markets everywhere quaked.

The blue-chip Hang Seng index lost 2.5 percent Wednesday to finish at 7,392.75, despite a "buy" recommendation by Morgan Stanley for Hong Kong and Mexican stocks. Wednesday's close was the Hang Seng's lowest in 16 months, and well off the all-time high of 12,201.09 achieved on Jan. 4, 1993.

The year and the 40 percent fall in stock values in between have not given Hong Kong much cheer on other fronts:

• The Hong Kong dollar has lost ground in trading against the U.S. dollar in the past few days, raising concerns that speculators are at work and that local interest rates may be pushed up.

• On Wednesday, a group of apartments for sale by the real estate company Cheung Kong Holdings Ltd. was under-subscribed, even though the average price was nearly 16 percent below the asking price in May.

• Foreign companies in China have made little progress in recovering some \$600 million in delayed payments by Chinese companies, the head of a leasing association told Bloomberg Business News on Wednesday. These debts have raised concern over China's investments in recent weeks, which spilled over into Hong Kong. Concerns about the local property market, a feared trade war between the United States and China, rising interest rates, looming difficulties in China and uncertainty about the future under Beijing's rule already had combined to dampen sentiment in Hong Kong.

But with the impact of Mexico's bungled

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Urging Talks, Chechen Leader Admits He Can't Win

By Steven Erlanger
New York Times Service

GROZNY, Russia — The embattled Chechen leader, Dzhokhar Dudayev, met reporters Wednesday for the first time in three weeks to urge rapid talks with the Russians on a peaceful end to the war, saying that "everything can be settled in an hour."

As reinforced Russian troops press ever closer to his presidential palace in central

Grozny, Mr. Dudayev admitted for the first time that Chechnya could not win a war with Russia, and he did not exclude some kind of negotiated autonomy within the Russian Federation.

Nor did he insist that all Russian troops withdraw from Chechnya before talks begin, an earlier condition that Moscow could not accept.

[President Boris N. Yeltsin assumed

control of the Russian general staff on Wednesday, Agence France-Presse reported from Moscow. If confirmed, the decision would represent a severe curtailment of the powers of Defense Minister Pavel S. Grachev.

[The speaker of the Russian upper house of Parliament, Vladimir Shumeiko, quoted by the Interfax news agency, said the government had decided to transfer command of the general staff to Mr. Yeltsin. A presi-

dential spokesman said only that the issue had been discussed.]

Russia has insisted that Chechnya is an inalienable part of Russia and must renounce independence, although it has offered to negotiate extensive autonomy, as other regions, such as Tatarstan, have won.

Although Moscow will be pleased by Mr. Dudayev's apparent concessions, the

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Its Prestige Taking a Dive, Russia Could Turn Inward

By Fred Hiatt
Washington Post Service

MOSCOW — Russia's bungled operation in the breakaway region of Chechnya has drastically lowered the nation's international standing and could push Russia toward isolationism, analysts here said.

Vladimir Lukin, chairman of the foreign affairs committee of Parliament's lower house and President Boris N. Yeltsin's former ambassador to the United States, said the nation's standing was "at its low-

est level" since 1982, at the end of the Brezhnev era.

Mr. Lukin, a moderate and a longtime critic of Mr. Yeltsin's foreign policy, said the Chechnya offensive has caused incalculable harm to Russia's reputation and its relations with its neighbors, with Europe, with the United States and with the Muslim world.

"There was a time when Russia was strong but not respected," Mr. Lukin said, referring to the Soviet period. "Then Russia became weaker but respected. Now

Russia has become weak and not respected."

Some diplomats and others here say they believe that such an assessment is premature and perhaps too gloomy, and that Mr. Yeltsin may find a way out of the Chechen crisis without inflicting lasting damage to Russia's relations with the world. Many foreign leaders, including President Bill Clinton, have sought to keep relations on an even keel, without seeming callous to Chechen suffering.

Russians have been so consumed by the

had news pouring from Chechnya, 1,600 kilometers (1,000 miles) south of Moscow, that they have paid little attention to foreign reaction. The Yeltsin government has urged Western leaders to stay out of what it considers an internal affair, while its Russian critics have called with equal insistence for greater foreign involvement.

But if the military operation continues to bring humiliation to Moscow, perhaps by sliding into a long guerrilla war, Mr.

See IMAGE, Page 6

Union Accepts Offer by NHL

The union representing the National Hockey League's players accepted Wednesday a contract offer made by the league's owners, pending ratification by the approximately 700 players who have been locked out since Oct. 1.

The players are to vote on the six-year agreement, which evolved from a compromise on free agency, by secret ballot over the next two days.

The league's commissioner, Gary Bettman, said a shortened season, probably of 48 games instead of the normal 84, would start late next week, followed by four full playoff rounds. No practices or training camps will be held until final details and ratification are complete. Page 17.

An Olympic Hurdle Raises a New Outcry Group Seeks to Bar Nations Keeping Women From Games

By Marlene Simons
New York Times Service

PARIS — Charging that there is growing discrimination against women in sports in a number of Muslim countries, European women's groups have launched a campaign demanding that nations barring women from their delegations be excluded from participating in the Summer Olympic Games in Atlanta in 1996.

The groups say that sex discrimination is analogous to the racial discrimination that resulted in South Africa's being suspended from the Olympic Games from 1964 to 1992.

The Olympic Charter states that "any form of discrimination with regard to a

country or a person on grounds of race, religion, politics, sex or otherwise is incompatible with belonging to the Olympic Movement."

The new protest movement, which calls itself Atlanta Plus, announced its campaign plans after a meeting at the French Senate on Tuesday night.

Organizers said they had already written to the president of the International Olympic Committee and to a number of well-known athletes as well as to other personalities, including Newt Gingrich, speaker of the U.S. House of Representatives, who is from Atlanta. In Paris, the minister of youth and sport and the minister of health said they supported the actions.

The next stage, the organizers said, was to mobilize sports federations and pressure the large corporations that act as official commercial sponsors for the Atlanta Games.

"What's going on is not acceptable and we must alert the public," said Annie Surgier, a nuclear physicist in a French government agency and one of the movement's founders. "In Barcelona in 1992, people were celebrating the end of apartheid and the return of South Africa to the games. But no one was saying anything about the 34 countries that had no women athletes representing them."

Iran even refused to allow a woman, a

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Tempest in a Test Tube As Italy Debates a Birth

Compiled by Our Staff From Dispatches

ROME — The birth of a girl produced from an egg of a woman who died more than two years ago set off an ethical battle in Italy on Wednesday over the uses and abuses of test-tube technology.

The reports of baby Elisabetta grabbed front-page headlines, the story made more intriguing since the surrogate mother is the father's sister and thus the baby's aunt.

The birth prompted calls for legislation to limit the production of test-tube babies and revived the unease provoked after several postmenopausal women gave birth in Roman Catholic Italy.

"We have reached the point of producing human beings as if they were boxes," said Cardinal Ersilio Tonini.

The events that led to the birth began in 1992, when a married couple unable to have children sought help from a fertility specialist at a Roman clinic.

Dr. Pasquale Bilotto fertilized the woman's eggs with her husband's sperm in a test tube, but a first attempt to implant them in her womb failed.

The woman, who was 26, died in a road accident at Christmas in 1992. Four remaining fertilized eggs stayed frozen in storage until the husband's sister agreed to act as a surrogate mother. The sister, named Elena,

who is 33, married and has a 6-year-old son, gave birth last week to baby Elisabetta, named after the dead woman.

The birth has outraged influential sections of society in Italy. Aldo Isidori, a member of Italy's national commission on bioethics, told Italian television:

"It is unacceptable that these fertilized eggs can be kept stored after the woman's death and then handed out like supermarket items: one for the aunt, one for someone else and then throw one away."

The Vatican's daily newspaper said the practice was "immoral." L'Osservatore Romano, which reflects the views of Pope John Paul II, said it was "monstrous to freeze embryos" as if they were "industrial products" and "objects to be used as and when judged necessary."

(Reuters, AFP)

Klosk Former Paris Aide Reported Indicted

PARIS (AFP) — Former Industry Minister Gerard Longuet has been indicted in connection with cases of illegal political party financing and corruption, the Europe 1 radio station reported Wednesday.

The examining magistrate, Mireille Filippini, is investigating illegal financing of Mr. Longuet's Republican Party, a backer of Prime Minister Edouard Balladur, and allegations that he paid well under the market price for a second home in a corrupt deal.

Book Review
Bridge
Crossword
Classified Advertising



NERVOUS IN MADRID — Brokers in the Spanish capital on Wednesday anxiously watching the markets as the peseta continued its slide before stabilizing at nearly record lows against the Deutsche mark. Page 11.

Spotlight on Republican Juggernaut Throws Missteps Into High Relief

By Kenneth J. Cooper
Washington Post Service

WASHINGTON — Newt Gingrich, the most powerful legislator in the House of Representatives, said from the beginning that mistakes were going to be made and, when they occurred, they would be corrected. So far, he has been right.

The nation's newspapers and television cameras

NEWS ANALYSIS

have found nothing so fascinating as the Georgia Republican's march through Washington — and the unintended brushfires he has set. The rapid pace of decisions and appearances that the speaker of the House set during the transition and opening days of

the 104th Congress have resulted in missteps on large policy issues, small administrative matters and his personal actions.

At times, it has appeared he has been leading his Republican troops on a zigzagging course, and recently he has begun to look like a man stretched thin.

But if the spotlight amplifies mistakes, it also illuminates the image of government in motion.

"The House is moving like mad, and he's getting enormous amounts of press," said Barbara Sinclair, a political scientist at the University of California at Riverside. She added that the kind of scrutiny Mr. Gingrich was receiving "is beyond what he clearly expected or is prepared for."

"It's hard," Mr. Gingrich said Tuesday. "I've al-

ways been a backbencher and, shucks, people didn't even listen to my good stuff."

Now, much like President Bill Clinton learned at the beginning of his term, people watch every retreat. This week, Mr. Gingrich backed away from a Republican campaign promise to cut legal immigrants off welfare and dismissed his choice for House historian because of her comments on a Holocaust education program.

Dissent from moderate Republicans also postponed floor action on a constitutional amendment to mandate balanced federal budgets, a campaign promise that Mr. Gingrich had said would be the House's first priority.

Earlier, Mr. Gingrich — stung by criticism from even his own party — changed his mind about taking a

\$4.5 million advance on book royalties, and he also could not back up a statement he made about past drug use among White House staff members.

Mr. Gingrich even said he should have kept to himself an idea about giving the poor tax breaks to buy computers.

Still, many analysts have praised Mr. Gingrich for keeping House Republicans focused on their "Contract With America," reaching out to Democrats and giving the appearance of energy and action to a Congress known in recent years for gridlock. They also have given him credit for acknowledging mistakes and correcting them swiftly.

"On balance, you would have to say it's a terrifically

See GINGRICH, Page 3

Newsstand Prices	
Andorra.....\$9.00	FF Luxembourg 60 L Fr
Antilles.....11.20	FF Morocco.....12 Dh
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France.....9.00	FF Saudi Arabia 9.00 R
Gabon.....950	CFA Senegal.....950 CFA
Greece.....350	Dr. Spain.....225
Italy.....2.400	Lira Tunisia.....1.000
Ivory Coast 1.120	CFA Turkey.....T.L. 45,000
Jordan.....JD 1.50	U.A.E.....8.50
Lebanon.....US\$1.50	U.S. Mil. (Eur.) \$1.10

The EU Parliament Lays Down the Law It Vows to Reject the Nominees For Executive Unless Some Go

By Tom Buerske

International Herald Tribune

BRUSSELS — The European Parliament delivered a stern challenge to Jacques Santer on Wednesday, threatening to veto him and his fellow nominees for the European Union's executive commission unless Mr. Santer made fundamental changes in personnel and policy.

"I think it cannot be taken for granted that we are simply going to rubber-stamp the commission when it comes to the vote," said Klaus Hänsch, the president of the Parliament. "This is a vote of confidence."

The warning turned an approval process that had been expected to be routine into a potential crisis between EU institutions.

By law, Parliament gets only a single yes-or-no vote on the full 20-person commission. Most EU officials had expected that the chamber would approve the candidates at a session Wednesday in Strasbourg, France, rather than trigger a confrontation with the national governments that nominated them and create a void at the top of the Union's executive agency by voting "no."

But in a 90-minute meeting Wednesday with Mr. Santer, the designated successor to the commission president, Jacques Delors, leaders of the Parliament's party groups and Mr. Hänsch expressed their disappointment with the performance of several nominees during five days of hearings that ended Tuesday. They told Mr. Santer to make changes or risk rejection.

"The ball is now firmly in his court," said Tony Robinson, a spokesman for the Socialist group that dominates Parliament. "We would expect movement."

The main demands were that Mr. Santer strip Padraig Flynn, the employment commissioner that Ireland has renominated, of responsibility for equal opportunity. Several women members said they saw no commitment to equal opportunity

from Mr. Flynn, who denied allegations at his hearing on Tuesday that he had once told Mary Robinson, Ireland's president, that she should have stayed at home with her children.

Mr. Santer also was pressed to give assurances that the commission would adopt any amendments to proposed legislation that win majority backing in Parliament, a power the chamber has long sought but has won in only limited areas under EU law.

Aides to Mr. Santer declined to comment Wednesday, but experience indicates he may well make some concessions. Against the advice of Mr. Delors, Mr. Santer agreed to hearings for his nominees after Parliament endorsed him by a narrow plurality in a non-binding vote in July.

In addition to their demands, Parliament also delivered blunt rebukes to four nominees, indicating that their lack of knowledge or unwillingness to discuss greater power-sharing with Parliament would very likely have led to rejection if members had the power to vote on individual candidates.

The most notable of the four was Yves-Thibault de Silguy, a top advisor to Prime Minister Edouard Balladur of France and the nominee to become economics commissioner. He was criticized for refusing to discuss whether Europe must reduce unemployment as a condition for monetary union.

Others included Ritt Bjerregaard, the Danish minister to become environment commissioner; Anita Gradin, a Swedish diplomat nominated for immigration and home affairs; and Erkki Liikanen, a Finn nominee for budget commissioner.

In contrast, the hearings produced strong support for Neil Kinnock, the former British opposition Labor Party leader; Monika Wulf-Mathies, the German union official; and Mario Monti, the Italian economist.



ALLIES IN BRONZE — This tableau of Roosevelt and Churchill by Lawrence Holofcener is to be placed in London's New Bond Street to mark the victory in 1945.

EUROPEAN TOPICS

Swedes Ease Up on Liquor Trade

With Sweden's entry to the European Union, most of the state liquor monopoly has been dismantled. The change represents a small revolution in a country where the fight against alcohol has at times taken on the feel of American-style Prohibition.

Since 1917, Vin & Sprit, or V&S, has handled all imports, exports, fabrication and sales of wine and spirits in Sweden. The sight of long lines forming even early in the morning before the Systembolaget — the state retail outlets — was part of life.

The retail shops remain for now (though V&S buyers may not discriminate against products from other European countries), but other V&S operations are being dismantled.

Few Swedes are shedding any tears: V&S is resented for its inflexible ways and inconvenient hours. A worker outside a state shop on a recent morning complained, "Buying a bottle of schnapps to go with a smoked-herring dinner becomes a whole expedition."

Over the years, tight Swedish controls have led to a burgeoning market in bootleg alcohol, said to represent 40 percent of total consumption. One study found that production of Hembrenning, a sort of illicit bathtub gin, had quadrupled in the past 15 years.

Around Europe

Nearly a millennium after it first brought Jewish, Muslim and Christian language students together in a spirit of cooperation and tolerance, the Toledo School of Translators is staging a revival. Plans call for training and encouraging translators, largely through conferences and colloquiums; collecting and promoting their works; and eventually creating a network of Mediterranean translation cen-

ters. The school, backed primarily by the University of Castilla La Mancha, will draw inspiration from its past, reports the Spanish daily El País. The center first flourished in the 12th century, under Archbishop Raimundo de Sauveter, when most of its translations were from Arabic into Romance languages.

The world market for high-temperature geothermal energy has more than doubled in the past 10 years, and Europeans are now belatedly trying to tap into this promising source. Near the Alsatian town of Soultz-sous-Forêts, French scientists have sunk an exploratory well 3,600 meters (12,000 feet) into the granite and are now drilling a second. Le Monde reports. Temperatures of 160 degrees centigrade (320 Fahrenheit) have been recorded. This is nearly hot enough to power a profitable electric plant, which would work by pumping cold water into fissures in the hot granite, then pumping up the heated water. If all goes well, a prototype power plant, quite likely with Italian, British and German support, will open by 2006 or 2007.

They came to look at the 1,000 violins and violas, to touch, to feel, to hold them up to their shoulders and mime a soulful bow stroke. A most unusual exhibition, held over the weekend in Paris, was sponsored by local anti-racket police, who had found the instruments in the possession of a "fence" working in the Saint-Ouen flea market. For years the man had been purchasing the instruments, often from thieves or con artists, and selling them to buyers in Japan. Armed with their declarations of theft or photos of their beloved instruments, some 500 victims visited the exhibit. One 70-year-old musician was happily reunited with his 1659 Jacobus Steiner. Other people left with tears in their eyes; but only 40 with violins under their arms.

Brian Knowlton

Croats Seek UN Exit in Disputed Territory

By Roger Cohen

New York Times Service

ZAGREB, Croatia — President Franjo Tudjman of Croatia, exasperated by the continued Serbian occupation of large swaths of his country, has decided to end the mandate of United Nations forces in Croatia on March 31, Western diplomats said Wednesday.

The decision opens up the possibility of a renewed war between Serbs and Croats that could dwarf the Bosnian conflict in scale and violence.

Most of the approximately 15,000 United Nations troops in Croatia are deployed to form a buffer between the Croatian Army and the Serbs, who have held close to one-third of the country since the Croatian war of 1991 ended in a tenuous truce.

Yasushi Akashi, the senior United Nations official in the former Yugoslavia, was informed Wednesday of the Croatian decision, which was described to him as an attempt to intensify peace negotiations rather than a decision by Croatia to go to war, United Nations officials said.

Diplomats said Mr. Tudjman had become convinced that the Serbs would never give up the Croatian territory they held so long as UN troops shielded them and that the Croatian Army was now strong enough, if necessary, to take the land by force.

"Tudjman now thinks he has an army that can do the job," a Western diplomat said. "But our message to him has been that as soon as the United Nations leaves fighting would begin. Serbia could get drawn in, you could lose, and then don't count on Western support to get you out of trouble."

On a visit to China, the Croatian prime minister, Nikica Valentic, made it clear Wednesday that the UN mission would have to end.

"What the United Nations is doing in Croatia is to maintain the status quo, actually providing aid to the Serbs through giving oil and food to them," he said. "Under such circumstances we cannot agree to a renewal of the mandate."

The Croatian Serbs, accounting for 12.2 percent of the pre-war Croatian population, went to war with the extensive support of the Serbian-dominated Yugoslav Army after Croatia announced its unilateral secession from Yugoslavia in June 1991.

Traumatized by Croatian massacres of Serbs during World War II, these Serbs rejected — and remain suspicious of — joining an independent Croatia.

One diplomat said Mr. Tudjman would end the mandate on March 31 but give the United Nations until the end of June to withdraw its forces.

Kingship Beats Love, Charles Is Said to Rule

The Associated Press

LONDON — Is it better to be married to the love of your life — or be king? Prince Charles says king, according to the Sun, a London tabloid.

The Sun said Wednesday that the prince told friends he had no plans to marry Camilla Parker Bowles, widely believed to be his mistress, after she divorces.

Lawyers for Mrs. Parker Bowles, 47, and her husband, Brigadier Andrew Parker Bowles, 55, announced Tuesday that the couple have begun divorce proceedings to end their 21-year-old marriage this month.

The Sun said aides and members of Queen Elizabeth II's Privy Council of advisers had warned the 46-year-old heir to the throne, who is separated from Princess Diana and is expected to divorce eventually, against planning to marry Mrs. Parker Bowles. It said they feared more anti-monarchy backlash if he did.

The paper quoted what it described as a well-placed source as saying, "The prince does not believe there is any prospect of a marriage to Camilla. He fully understands that public opinion would be against him and his principal aim is to become king" on the death of his 68-year-old mother.

"Charles and Camilla will continue to be great friends and to see each other privately," the Sun quoted the source as saying.

A poll this week in The Guardian showed that a growing number of Britons think the country would be better off without the monarchy — 27 percent against 20 percent in 1992. It showed that 51 percent thought Charles and his scandal-ridden love life had done more damage to the monarchy than any other royal.

Since the slayings of Mrs. Simpson and Mr. Goldman did not stem from an argument, involved the use of a knife rather than fists and were apparently "committed by stealth," any mention to the jury of domestic violence evidence would be unwarranted, Mr. Uelman contended.

"If we had to put a label on this case, based on these factors, the label we would put on it is that it bears all the earmarks of a drug-related homicide," he said. There has been no evidence disclosed that drugs were involved in the killings.

Mr. Uelman urged the judge not to let jurors hear two dozen alleged incidents of domestic abuse by Mr. Simpson against his wife, including his much-publicized oo-contest plea to spousal abuse.

WORLD BRIEFS

Russians Bomb Afghan Border Area

ISLAMABAD, Pakistan (Reuters) — Russian jets on Wednesday bombed a border village in the northern Afghan province of Badakhshan, killing 15 people and wounding more than 30, the official Kabul Radio said.

The broadcast, monitored in Islamabad, said the bombing also caused extensive damage. Badakhshan borders the Central Asian republic of Tajikistan, where Russia has deployed about 15,000 troops to help fight anti-government Islamic guerrillas suspected of having bases in Afghanistan.

It was the fourth report by Kabul this month of bombings by Russian planes in Afghan border areas. At least 30 people were reported killed in previous air raids on Badakhshan and adjoining Takhar Province.

Assault Trial Opens for 3 Neo-Nazis

POTSDAM, Germany (Reuters) — Three German extremists went on trial Wednesday charged with complicity in an attempt to kill a Nigerian nearly three years ago.

The neo-Nazi youths, aged 19 to 20, were accused of being part of a 15-member gang that attacked the Nigerian in a town near Berlin in May 1992, chanting: "Hang the Negro swine." The victim survived but suffered serious injuries.

The gang's ringleader was jailed in 1993 for six years for his part in the attack and four others were given prison terms of two to four years. More than 30 people have been killed in a surge in neo-Nazi violence that followed German unification in 1990. Many were foreigners but the victims also included Jews and the handicapped.

Exiled Troops Stage Raid on Rwanda

KIGALI, Rwanda (Reuters) — Exiled members of Rwanda's former government army staged their first big cross-border attack from Zaire on Wednesday in what United Nations peacekeepers feared could be the start of an insurgency.

The UN military spokesman here, Captain Stephane Grenier, said the group of about 50 Hutu troops was driven back into Zaire after a two-hour battle with government forces. The commander of the UN Assistance Mission in Rwanda, Major-General Guy Tounsiant, said the attack could be the start of a "consolidated and well-planned insurgency campaign" by the exiled troops.

Government officials and commanders of the Tutsi-led Rwanda Patriotic Front, which drove the former government into exile last July after genocide and civil war swept the central African nation, declined to comment on Wednesday's incident.

Militants Kill 11 on Algerian Bus

TUNIS (Reuters) — Suspected Muslim guerrillas, in a fresh escalation of violence, shot and killed 11 people on a bus in the east Algerian town of Batna, the official Algerian press agency, APS, said Wednesday.

Six passengers were wounded in the attack Tuesday at Batna, a mountain town about 320 kilometers (200 miles) east of Algiers, the agency said, quoting a security force statement. The statement gave no further details.

The report came as Algeria's principal opposition groups outlined the first steps of a joint proposal to end the fighting. Abdelouali Yahya, spokesman for the groups gathered in Rome, said civil strife could end only after the army-backed government softened its security activities and allowed leaders of the outlawed Islamic Salvation Front to meet.

U.S. Bolsters Forces to Move Cubans

WASHINGTON (AP) — The Pentagon is preparing to send 3,000 soldiers to Panama and the base at Guantanamo Bay, Cuba, to bolster security forces in anticipation of moving thousands of Cuban refugees out of Panama, Pentagon officials said Wednesday.

Panama has said it wants the refugee camps there closed by March 6, and U.S. officials expect to move most of the Cubans housed there to Guantanamo Bay well before that time.

The bolstered security force is designed to quell any violence, a senior Pentagon official said. "It's an obvious step, and they are putting people at each site," he said. There are about 8,500 Cuban refugees in the Panama camps.

Hassan Rules Out Opposition Cabinet

RABAT, Morocco (Reuters) — King Hassan II has decided to name a new government made up of members of the parliamentary center-right majority, renouncing his earlier plans to name an opposition cabinet, an official statement said Wednesday. It gave no date for the appointments.

"King Hassan decided to abandon for the time being the constitution of an alternative government and to appoint instead a government represented by the present parliamentary majority," the official press agency WMA said, quoting a palace statement.

The king had announced in October that he would appoint a prime minister from one of the four opposition parties. During the last four months, he has met repeatedly with opposition leaders as well as members of rightist parties. The opposition said the talks were inconclusive because they wanted guarantees for political reforms aimed at "establishing strong democratic institutions."

TRAVEL UPDATE

U.S. Relaxes Ban on ATR Aircraft

WASHINGTON (Combined Dispatches) — The U.S. government on Wednesday eased its ban on ATR commuter aircraft flying in icing conditions, saying the ban would now only apply to flights during freezing rain or freezing drizzle.

The original restriction was imposed on the French-Italian ATRs on Dec. 9 following the October crash of an ATR-72 in Indiana that killed 68 people. Icy conditions were believed to have contributed to the crash.

David Hinson, administrator of the Federal Aviation Administration, said the new rules allow ATRs to fly in known or forecast icing conditions as long as pilots and operators follow new flight safety and training procedures. In icing conditions, water remains a liquid in the air, even at very cold temperatures, until it encounters a surface on which it can freeze. Airplanes often provide such a surface. He added that pilots of the widely used turboprop planes must receive classroom-style training on aircraft operations and weather procedures before they may fly the craft in icing conditions. (Reuters, AP)

Japan Airlines Will Increase Flights

TOKYO (AFP) — Japan Airlines said Wednesday that it would increase the number of flights to Southeast Asia, Europe and Hawaii as well as expand its domestic service starting in April.

Under its latest plans for Asia, the airline will launch a twice-weekly service between Nagoya and Manila in April and boost the number of weekly flights between Osaka and Hong Kong from 11 to 14 in November. JAL also said it was considering adding a third weekly flight between Osaka and Ho Chi Minh City but cutting from eight to seven its weekly Tokyo-Seoul flights.

The airline plans to add a sixth and seventh weekly flight on the Tokyo-Amsterdam route, a fourth flight on the Tokyo-Milan-Rome route, and starting in November, a fifth on the Osaka-London route. It also plans to boost from five to seven the number of weekly flights to Honolulu from both Fukuoka and Sapporo. And it said it would increase the number of domestic flights, including new routes from Kansai to both Kagoshima and Oita.

Heavy snow disrupted rail and airline services in Austria on Wednesday, with many roads in the western Tyrol and Vorarlberg regions closed to traffic. Officials said flights out of the Vienna-Schwechat airport were delayed and train connections, national and international, were being held up by several hours. (AP)

In the Davos area of Switzerland, snowfalls caused traffic chaos and closed rail lines Wednesday as the authorities warned of the risk of avalanches above 1,200 meters (3,960 feet), well below the level of most ski slopes. (AP)

One of the two original copies of Abraham Lincoln's "Gettysburg Address" held by the Library of Congress is going on display this year for the first time in 23 years — but only on Friday, Saturday and Monday.

New York City enacted legislation banning smoking in virtually all public places, including outdoor sports stadiums and most restaurants hut out bar areas. It also restricts smoking in workplaces. Mayor Rudolph W. Giuliani signed the bill. (AP)

2 U.S. Spy Officials Hopeful on Korea

The Associated Press

WASHINGTON — North Korea's new leader seems to be in full control of the country, and chances of a relaxation of tensions on the Korean Peninsula appear to be improving, two senior U.S. intelligence officials said.

Lieutenant General James Clapper Jr. of the Air Force, director of the Defense Intelligence Agency, said he saw room for cautious optimism about North Korea, even though it continues to expand its already large military forces.

General Clapper told the Senate Intelligence Committee on Tuesday that the new North Korean leadership was "coming to the realization that they must do something" to make their

crippled economic system more open to the rest of the world.

That may lead to a more general opening of North Korea society, which for decades under the leadership of Kim Il Sung was one of the most closed in the world. Mr. Kim died last summer, and his son, Kim Jong Il, was expected to succeed him as the Communist nation's supreme leader.

R. James Woolsey, in his final day as CIA director, told the Senate committee at the same hearing that although the younger Mr. Kim had not yet been granted all the titles his father held, including president, he seemed to be in full control.

"We see nothing at this point to suggest that there is a succession struggle in North Korea," Mr. Woolsey said.

U.S. and Pakistan Set to Revive Forum for Military Discussions

Agence France-Presse

ISLAMABAD, Pakistan — Pakistan and the United States, moving to improve ties strained by a dispute over Islamabad's nuclear program, are to revive a forum for bilateral military cooperation that has been dormant for more than four years, U.S. officials said here Wednesday.

The development followed talks among Defense Secretary William J. Perry, Prime Minister Benazir Bhutto and Defense Minister Aftab Shahban Mirani.

The two countries have agreed to revive the Pakistan-U.S. Military Group to hold regular discussions on security matters, a U.S. spokesman said. The forum will deal with such issues as joint military training,

military education programs, peacekeeping roles and global security matters.

The forum was set up in 1984 at the peak of the war in neighboring Afghanistan, but was abandoned because of Pakistan's nuclear program.

In October 1990, President George Bush invoked the anti-proliferation Pressler Amendment that forbids U.S. aid to countries suspected of pursuing a nuclear-bomb program. He cut off the nearly \$600 million in annual economic and military assistance to Pakistan.

Official sources said that without revoking the Pressler law, the United States wished to at least reduce some of the irritants on its post-Cold War agenda.

Simpson Threatened to Behead Wife's Lovers, Actor Alleged

The Associated Press

LOS ANGELES — O. J. Simpson threatened to cut off the heads of any of his wife's lovers whom he caught driving his cars, an actor who worked with Mr. Simpson when talking about who could drive his luxury cars.

Mr. Reynolds quoted Mr. Simpson as saying that if he ever caught any of his wife's boyfriends driving his cars, he would "cut their [expletive] heads off" according to the court papers.

The papers were filed in an effort to introduce evidence of domestic violence

to point to a motive and the identity of the killer.

"Naked Gun 2½" was released in 1991.

The prosecution documents also included entries from Mrs. Simpson's journal and comments from her friends about abuse by Mr. Simpson.

The documents were held under seal until domestic violence hearing Wednesday, which the defense requested in an attempt to keep all domestic violence evidence from jurors at Mr. Simpson's trial.

The session was considered so inflammatory that the jury was sequestered before it started.

In his opening statements, a defense attorney, Gerald Uelman, argued that the June 12 double murder had all the hallmarks of drug-related killings and that evidence of domestic violence in Mr. Simpson's past was irrelevant and would bias the jury.

Mr. Uelman urged the judge not to let jurors hear two dozen alleged incidents of domestic abuse by Mr. Simpson against his wife, including his much-publicized oo-contest plea to spousal abuse.

Since the slayings of Mrs. Simpson and Mr. Goldman did not stem from an argument, involved the use of a knife rather than fists and were apparently "committed by stealth," any mention to the jury of domestic violence evidence would be unwarranted, Mr. Uelman contended.

"If we had to put a label on this case, based on these factors, the label we would put on it is that it bears all the earmarks of a drug-related homicide," he said. There has been no evidence disclosed that drugs were involved in the killings.

Mr. Uelman urged the judge not to let jurors hear two dozen alleged incidents of domestic abuse by Mr. Simpson against his wife, including his much-publicized oo-contest plea to spousal abuse.

THE AMERICAS / THE DANGERS OF CALIFORNIA

California Awaits Aid And More Downpours

Compiled by Our Staff From Dispatches
LOS ANGELES — More rain pelted Southern California's flooded valleys and mud-sloping hillsides Wednesday in the region's worst weather in years, keeping hundreds of people out of their homes.

Swollen rivers in Northern California were beginning to ebb, helped by a brief respite in the storms. But more rain was in the forecast for both parts of the state, with the heaviest downpours expected in the south.

At least six people have died along the West Coast, including a 12-year-old boy who drowned while trying to cross a creek and a homeless man swept away by a raging river.

Across the state, stranded residents stood atop their cars and homes, waving desperately to rescue crews arriving by boat, truck and helicopter. Nearly 2,000 were evacuated, most of them in Northern California.

About 200,000 people lost power. Dozens of major roads, including sections of the Pacific Coast Highway and U.S. 101, were closed by high water and mud.

President Bill Clinton has declared 24 counties disaster areas, making individuals and businesses eligible for federal aid.

Water and mud filled hundreds of homes after the brunt of the storm moved from the northern end of the state to the south on Tuesday.

A sewer line collapsed Wednesday in the Los Angeles suburb of the City of Industry, opening a sinkhole that swallowed a car. Neighbors lowered a ladder into the hole and the driver escaped with minor injuries, authorities said.

In Northern California, National Guard helicopters pulled residents out of the isolated community of Guerneville at 17 feet (5 meters) above flood stage.

San Francisco officials closed parts of Golden Gate Park, fearing that uprooted trees would fall on visitors. Two of San Francisco's four runways remained closed because of high winds, and the Federal Aviation Administration slowed traffic west of the Mississippi.

Despite heavy flooding in the wine country north of San Francisco, growers said that the vines would survive relatively unscathed and that the 1995 harvest was unlikely to be harmed.

"It's pretty hard to hurt vines in the dead of winter like this," said Steve Spadaro, general manager of the Clos Pegase winery in the Napa Valley. (AP, Reuters)



A Malibu resident, near Los Angeles, fording Pacific Coast Highway on Wednesday.

A 'Super State Department' 3 Independent Agencies Would Be Absorbed

By John M. Goshko
Washington Post Service
WASHINGTON — The White House is considering a widespread reorganization of the government's foreign-policy machinery that could have the State Department absorb the independent agencies responsible for arms control, foreign aid and overseas information and cultural activities, according to senior officials.

The officials said the idea, which could lead to what some call "a super State Department," emanated from recent talks between Secretary of State Warren M. Christopher and Vice President Al Gore, who heads the Clinton administration's "Reinventing Government" program.

Mr. Christopher, the officials said, proposed studying the idea in an effort to determine

whether such a consolidation would make foreign policy more effective.

If the idea were carried out, the State Department would take over the functions now performed by the Agency for International Development, the Arms Control and Disarmament Agency and the U.S. Information Agency.

The proposal was discussed at a White House meeting on Jan. 5. The sources said it encountered fierce opposition from senior officials of the development and arms control agencies. The information agency, while less vehement, the sources said, took the position that public diplomacy could best be carried out by an independent agency focusing on cultural and information activities.

The result, the sources continued, was a decision to have Mr. Gore's National Performance Review staff study the pros and cons of Mr. Christopher's proposal and make a recommendation in two weeks about any such consolidation. Senior officials of the agencies involved met at the White House again late Tuesday to present their arguments about what should be done.

All three agencies now take their policy guidance from the

secretary of state but have legally separate identities. The officials said Mr. Christopher argued that the administration's desire to streamline government and the changed nature of foreign-policy problems in the post-Cold War era dictated studying whether consolidation was desirable.

State Department sources, rejecting charges by some officials of the other agencies that the plan represents a "power grab" by Mr. Christopher, said his aim was to eliminate duplication and overlap by competing foreign-policy bureaucracies.

Even more important, these sources said, Mr. Christopher argued that many activities of the specialized agencies were designed for the time when the United States was combating the Soviet Union's efforts to extend the reach of communism and were no longer applicable to U.S. interests.

Senator Mitch McConnell, Republican of Kentucky and chairman of the appropriations subcommittee that oversees foreign aid, has announced that he believes the Agency for International Development, the U.S. Information Agency and the Peace Corps should be merged into the State Department.

Gingrich & Friends Surf the '3d Wave'

By Maureen Dowd
New York Times Service
WASHINGTON — All kings have their courts.

When Bill Clinton came to power, the capital glittered with the opinions of his Hollywood crowd. There was Barbara Streisand talking about Thomas Jefferson; there was Harry Thoreau talking about the White House travel office; there was Christopher talking about cutting and shaping.

But now Representative Newt Gingrich, Republican of Georgia, owns the fickle political spotlight, and his courtiers are quite different, with their own ideas about cutting and shaping. Washington rings with the opinions of futurists and spiritualists, self-improvement experts and cyberspace cartographers — all billing themselves as friends, advisers and even "gurus" to the new speaker.

Here is Alvin Toffler talking about the third wave, Arianna Huffington talking about the fourth instinct, and Mr. Gingrich offering his five "news," his new proposals for change.

Here is Heidi Toffler, Mr. Toffler's wife and co-author, sparring with Mrs. Huffington about second- and third-wave diversity values. Here is a new conservative-futurist vocabulary about "byte cities," "brain lords" and "cyberpolitics."

At a conference on Tuesday, Mr. Gingrich's friends spoke about virtual economy, virtual government and virtual America. These allies serve as a window into the culture of the new congressional leadership, reflecting Newt's notions for more quirky than the tax- and budget-cutting talk that led to Mr. Gingrich's election as speaker of the House.

Mr. Gingrich himself delivered a talk titled "From Virtuality to Reality." His acolytes in the Mayflower Hotel ballroom listened raptly, unperturbed by a speech that roamed, in verbally complicated ways, from 18th-century English statesmen to downloading from cybernetic systems.

"In a sense, virtuality at the mental level is something I think you'd find in most leadership over historical periods," the new speaker declared. "But in addition, the thing I want to talk about today, and that I find fascinating, is that we are not at a new place. It is just becoming harder and harder to avoid the place we are."

Conceding that his recent suggestion of a tax credit for laptop computers for poor children was perhaps "a dumb idea," Mr. Gingrich said that he was trying to follow the advice of his wife, Marianne, to "go slow and be responsible."

But even as he warned himself to go slow, Mr. Gingrich could not resist spinning more grandiose plans for remaking American civilization.

First he explained that

"where we are right now is not 1933, it's the 1770s to 1800, that just as the English-speaking world went through the transition from the end of the medieval agrarian society to the rise of the commercial and ultimately manufacturing society and out of that came waves of change that were very traumatic and very profound, that the transition from the industrial era into the information age is very similar in forcing us to ask the most profound questions about relationships."

Later, he explained: "We are at 1760, not at 1789. We are beginning to invent the American of the information age. We're not about to inaugurate George Washington. We don't yet know what, in effect, our intellectual constitution for the future is."

Mr. Gingrich described his "five news" as new hope, new dialogue, new access, new partnership and a new team. The speaker has been friends with Alvin and Heidi Toffler, who collaborated on books like "Future Shock" and "The Third Wave," since the early 1970s, when he was an assistant professor at West Georgia State College. He has asked the Tofflers to advise him on how

to recast the way Congress works so Washington can move into a "third-wave" society.

Although the Tofflers concede that some of Mr. Gingrich's conservative positions — on abortion and school prayer, for instance — are far from their more liberal political taste, they hail their friend as "a third-wave leader."

Mr. Toffler uses the wave metaphor to explain the progression of history from an agricultural society to an industrial society to what he says is the incipient third wave, an information society.

POLITICAL NOTES

A \$2.5 Million Shot in the Arm

WASHINGTON — In the final weeks before the November midterm elections, Republicans received the largest political donation in recent American history, \$2.5 million from the Amway Corp., a contribution that helped the Republicans outpace Democrats by nearly 4 to 1 in "soft money," according to a study by Common Cause, a citizens lobbying group.

Haley Barbour, chairman of the Republican National Committee, said in an interview Tuesday that the huge contribution he solicited from Amway's founders, Richard M. DeVos Sr. and Jay Van Andel, paid for building the party's new television center and underwrote its first year of operation.

The donation was the largest portion of \$16.3 million in soft money raised by the Republican National Committee and its House and Senate fund-raising committees in October and November. The Democratic National Committee and its two congressional counterparts raised \$4.2 million during the same period.

The term "soft money" refers to funds raised from corporations and labor unions that cannot donate directly to federal candidates and unlimited donations from individuals. The funds can go to state and local candidates or administrative expenses and party-building activities. (WP)

Luncheon Reporters Cry Foul

WASHINGTON — What was meant to be a friendly White House luncheon between Hillary Rodham Clinton and 11 women writers turned into a journalistic brouhaha after The New York Times published several comments that other participants say were off the record.

"It was clear, 100 percent off the record," said the New York Post gossip columnist, Cindy Adams, one of the guests. "I was furious." Four other columnists agreed that The Times published off-the-record remarks.

But Andrew Rosenthal, the Times' Washington editor, said that The Times reporter at the luncheon, Marian Burros, had clearly followed the rules and even called back the White House to check whether a particular quote could be used under the ground rules. "She kept a very careful account of what was on the record," Mr. Rosenthal said. "These quotes were on the record, which is why we put them in the newspaper."

The Times' story, which was published in the International Herald Tribune on Wednesday, began: "Saying that she is eager to present herself in a more likable way,

Hillary Rodham Clinton feels she has been 'naive and dumb' about national politics and is to blame for the failure of the health care overhaul plan last year."

Lisa Caputo, the First Lady's spokeswoman, said: "There appears to have been a misunderstanding with Marian Burros about what was on and off the record, and I didn't have that misunderstanding with respect to the other reporters who attended the lunch. That pretty much speaks for itself." (WP)

Reagan Official's Mea Culpa

WASHINGTON — Samuel R. Pierce Jr., former secretary of housing and urban development, admitted Wednesday that his conduct contributed to the federal housing scandal of the 1980s, but the former Reagan administration official avoided criminal prosecution.

In a deal capping the government's investigation, federal prosecutors released a statement in which Mr. Pierce said his meetings with personal friends who were lobbying for federal housing funds "sent signals to my staff that such persons should receive assistance."

"These meetings and conversations, and my following discussions with staff members, created the appearance that I endorsed my friends' efforts," Mr. Pierce said in the statement, dated Dec. 15.

His statement ends a criminal investigation by the independent counsel Arlin Adams that resulted in 16 criminal convictions of former high-ranking officials and business executives. The inquiry has brought \$2 million in criminal fines. Mr. Adams said Mr. Pierce's poor health was a factor in forgoing an indictment and trial. (AP, NYT)

Treasury Nominee Gets Nod

WASHINGTON — The Senate has unanimously approved the nomination of Robert Rubin as secretary of the Treasury. He replaces Lloyd Bentsen. (AP)

Quote/Unquote

Christina Jeffrey, who was dismissed as House historian by the speaker, Newt Gingrich, for writing in 1986 that a Holocaust curriculum lacked Nazi and Ku Klux Klan viewpoints, on Mr. Gingrich's late-night phone call to her to tell her she was fired: "He was very kind. He said that from his experience, we wouldn't be able to get on top of this. The press and the vicious, malicious, mean-spirited partisan people who were out to get him would just keep stirring this up and stirring it up and stirring it up."

Away From Politics

• Two of five convicted killers who tunneled their way to freedom from a South Florida prison were captured by the police in a suburban Miami neighborhood, and one of the men was shot and killed in a battle with officers. The other three convicts were still at large. (Reuters)

• More than half of the first 50 potential jurors in the New York trial of an Egyptian cleric, Sheikh Omar Abdel Rahman, and his followers accused of plotting to bomb landmarks in Manhattan have been dismissed because they could not serve the full length of the trial or because of views expressed in questionnaires they were asked to complete. (Reuters)

• The maker of the Today Sponge, an over-the-counter contraceptive for women, is discontinuing the product because it cannot meet stringent new government safety rules. (AP)

• A major defense contractor, Lucas Western Inc., has paid an \$18.5 million fine after admitting in court in Los Angeles that it falsified inspection records for parts it sold to the Pentagon, including gearboxes for the navy's FA-18 fighter jet. (AP)

• A moose that had been taunted and harassed for hours by students as it and its calf roamed the University of Alaska campus in Anchorage, panicked and trampled a 71-year-old man to death before it was finally herded off campus and back to the woods. (AP)

• A United Airlines DC-10 bound for Chicago made an emergency landing in Las Vegas after the pilot reported smoke in the cabin and passengers complained of headaches and burning sensations. A spokesman said a faulty auxiliary power unit was responsible for the smoke and fumes. (AP)

Pair Hunting Child Molester Assault Wrong Man

The Associated Press
TRENTON, New Jersey — A new law in this state aimed at notifying communities about the presence of sex offenders led two vigilantes to the home of a child molester, where they beat up the wrong man, according to the police.

The attack by a father and son was the first case of vigilante violence linked to the New Jersey law, known as "Megan's Law," the authorities said. The object of the attack apparently was Michael W. Groff,

25, who moved into his aunt's house in Phillipsburg after serving four years of a 10-year sentence for sexual assault and endangering the welfare of a child. On Dec. 27, in accordance with New Jersey's law, Mr. Groff's neighbors were told where he would be living.

Kenneth J. Kerekes Sr., 52, and Kenneth Jr., 22, broke into the house Sunday and mistakenly attacked Thomas Vicari, the police said. Mr. Vicari, a 41-year-old truck driver, was treated at a hospital and released.

Both suspects were being held in lieu of \$100,000 bail, charged with burglary, harassment, conspiracy, assault and criminal mischief.

Megan's Law is named after 7-year-old Megan Kanka, who was raped and killed in July. A neighbor with a record of sexual assaults on children was charged in the killing.

The law has been challenged in federal and state courts. Last week, a federal judge blocked officials in a New Jersey county

from notifying the community where a convicted rapist, released from prison Jan. 1, planned to live.

Civil libertarians who had opposed the law said they were not surprised by the attack. Marsha Wenk, legal director of the American Civil Liberties Union of New Jersey, said: "This is exactly the concern that we had when the law was being considered for passage, that it would be used to enable vigilantism rather than for any legitimate community interest."

Clinton's image was murky. "The Clinton comparison is just wacky," said John J. Pitney Jr., co-author of a 1994 book on House Republicans. "I think the Reagan comparison is much clearer. Reagan took some hits from conservatives for the tactical adjustments he made" on the size of the 1981 tax cut.

Mr. Pitney's co-author, William F. Connelly Jr., a political scientist at Washington and Lee University in Virginia, said that, based on early soundings from conservative radio talk-show hosts, Mr. Gingrich could suffer from too much compromising.

Mr. Pitney said a Republican retreat on requiring a three-fifths vote to raise taxes — the sticking point for many lawmakers on whether to approve a balanced-budget constitutional amendment — could land Mr. Gingrich in trouble with conservative loyalists.

"That could get him into territory crossing the threshold between tactical adjustments and a change in position," Mr. Pitney said. The new speaker has tried to deflect intense media scrutiny from Republican misdeeds. At a news conference on Monday, when reporters for Spanish-lan-

guage television networks pointed out his change on welfare for legal immigrants, Mr. Gingrich said: "We're not going to get trapped into doing something dumb just so you can say we were consistent."

New Growth Age on the InfoWeb?

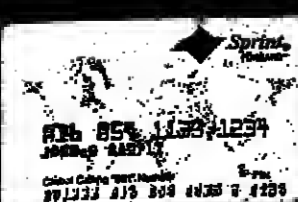
3COM climbed from \$22 to \$52 between August and December. Its products help speed network information and services. Management guru Peter Drucker says knowledge has become "the key economic resource." JPM has been publishing The InfoWeb Report as a complimentary service for executives and investors who may be missing opening chapters of the biggest growth story since the early '80s. Dozens of participants have been covered with our team's price-action projections.

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Belize	1-800-577-8000	Finland	0900-10284	Lithuania	00370-12	Russia (Moscow)	8075-153-6153
Belize (Home)	0000-10284	France	99-00027	Malaysia	0060-121	Saudi Arabia	233-0233
Bermuda	1-800-423-0677	Germany	0123-0013	Maldives	00960-12	Senegal	1-800-877-8000
Bhutan	0000-3333	Ghana	0020-091-111	Mexico	01-800-877-8000	Sierra Leone	172-1877
Bolivia	0008-8266	Guinea	920-3566	Moldova	00373-12	South Africa	8000-177-177
Bolivia (Home)	1-800-577-8000	Honduras	195	Monaco	00377-12	South Korea	800-99-0001
Bolivia (Home)	00-420-1016	India	800-877	Morocco	00212-12	Spain	0034-99-0013
Canada	1-800-877-8000	Indonesia	0062-21	Mozambique	00258-12	Sweden	0046-99-011
Canada (Home)	00-677-8000	Iran	0098-12	Nepal	00977-12	Switzerland	153-9777
Chile	0056-217	Israel	00972-12	Netherlands	0031-12	Syria	00963-12
China	0086-12	Italy	0039-12	Netherlands (Antilles)	00599-12	Taiwan	00886-12
China (Home)	0086-12	Japan	0081-12	Norway	0047-12	Thailand	0066-12
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Herald Tribune

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Cuts at the Pentagon, Too

As Washington peers into the abyss of deep cuts in domestic programs favored by the Republicans, the Defense Department has somehow become untouchable, taking a place alongside Social Security and Medicare in the pantheon of sacrosanct federal enterprises. How the Pentagon achieved that protected status at a time of diminishing military threats to the United States says more about the weakness of politicians than the weakened state of American defenses. It is both bad budget policy and bad defense policy.

Purely as a budget issue, inoculating the Pentagon against spending cuts places an unbearable burden on domestic programs to absorb the savings necessary to balance the budget or even move toward significant deficit reduction.

The Defense Department budget this year is \$252 billion. If Social Security, Medicare and defense are exempted from cuts, at least 30 percent of every remaining program would have to be trimmed under the House Republicans' plan to balance the budget by 2002. Both parties deny the obvious: whatever else they do to balance the budget and pay for tax cuts, they surely must go after defense spending.

If Washington were still locked in an uneasy military standoff with the Soviet Union, there might be a strong case for national sacrifice. But three years after the Soviet Union disintegrated, the Pentagon is running to a large extent on Cold War inertia, with the military services inflating defense strategies and budget requests to justify an unnecessary and unsustainable level of defense.

There is an inexorable but hollow logic to this process. The Pentagon devised a theoretical military mission, which calls for fighting and winning two wars simultaneously, that political leaders may doubt but are reluctant to challenge. The Pentagon then seeks a budget to match, and

argues that cuts would endanger the country. Congress has made some reductions in recent years, but the rate of decline was slowed by the Pentagon's arguments.

President Bill Clinton had been stymied by Pentagon advocates brandishing this logic when he decided late last year to seek a \$25 billion increase in military spending over the next six years. Republicans would push the increase to \$60 billion, claiming that previous Clinton administration reductions in defense spending leave the United States unprepared to fight two wars at once.

At least John Kasich, the new Republican chairman of the House Budget Committee, says the Pentagon budget should be closely reviewed. A realistic assessment of threats, including the possibility of future conflicts like the Gulf War, and even the distant danger of a militarily resurgent Russia, would allow consideration of cuts in the budget. Further reductions in manpower are possible. The fleet of aircraft carriers could safely be cut from 12 to 10. Plans to resume production of the B-2 bomber should be shelved; there are more than enough strategic and fighter-bombers to deal with any likely threat. Other expensive weapons programs can be postponed, slowed or canceled. Reasonable estimates trim the Pentagon budget by \$25 to \$30 billion a year in coming years, without threatening national security.

Pentagon savings would not eliminate the pain of closing the budget gap, or make up for all the coming cuts in domestic programs. But they would help. Even with the Russian army disintegrating and struggling just to subdue a band of irregular forces in Chechnya, America is not free of threats. It needs a strong defense. It can afford one without fencing off the defense budget from the national debate that has been joined over government spending.

—THE NEW YORK TIMES

Carter and the Bosnians

Jimmy Carter, says his wife, Rosalynn Carter, "never deviated" from insisting that the Bosnian Serbs agree to begin negotiations with the Muslims "based on the contact group plan." But who doubts it? The argument over the terms on which the former president brokered a cease-fire in the Bosnian war does not concern Mr. Carter's dedication or consistency. It concerns his judgment. Our contention in an editorial (1/7, Jan. 7) was that the cease-fire froze the military balance on lines favoring the principal aggressor, the Bosnian Serbs, and that it did so by cutting the link between a cease-fire and implementation of the peace plan offered by the American-Russian-British-French-German "contact group." Nothing has happened since to make us alter this view.

It is enough to consider what happened in the first phase of the Carter negotiation. Mr. Carter, according to a Washington Post report of Dec. 20, said the new talks must be held on the "basis" of a U.S.-brokered international peace plan, previously rejected by the Bosnian Serbs. The Serbs said they took this to mean

that the plan — which was presented in May on a take-it-or-leave-it basis — had been reopened for more negotiation on how to divide Bosnia among its Serb, Muslim and Croat communities. "Yes, it is open to negotiation, yes, the whole plan," a joyous Nikola Koljevic, vice president of the Serbs' self-proclaimed republic, declared after talks with Mr. Carter ended. "This is a victory for democracy, for us, for the Serbs."

The Muslim-led Bosnian government continued its efforts to resume political talks "on the basis of the contact group proposal" — the evasive language the Serbs were using to escape the obligations of the contact group. The Muslims wanted talks to resume only after the Serbs had accepted that plan "as a starting point." But the Serbs resisted committing themselves to the more compelling language. Finally, the Muslims did not have the horses on the ground or at the negotiating table, to use a cease-fire to enforce rather than obstruct the contact group plan. That is the sad place Bosnia is in now.

—THE WASHINGTON POST

Two American Economies

Like matter and antimatter that coexist in the universe, two economies appear to exist side by side in the United States. One economy has generated stagnant earnings for the average American over the past 20 years, producing a frustration that turned against the party in power last November. The second economy is measured in buoyant statistics. Production has grown steadily for four years, unemployment has fallen to levels as low as any during the past 20 years, and consumer confidence has risen to record levels. Even beleaguered cities like Detroit and Chicago have achieved fiscal stability.

There are two ways to explain how these mirror-image economies can coexist. One is that statistics do not always reflect common experience. Recent economic gains, although substantial on average, have been concentrated among high-income families and selected regions like the Southeast. The wages of most workers — those with high school educations — have languished or, after accounting for inflation, fallen in recent decades. City budgets (excluding New York's) are moving into surplus. But part of the reason is a decision to cut back desperately needed services. That cities have, in times of fiscal exigencies, turned their backs on inner-city schools is no cause for celebration.

High expectations are another factor that can produce frustration amid seeming plenty. The U.S. economy exploded after World War II. Productivity, the long-term basis for earnings, roared upward at two or three times its usual pace. Americans developed the notion that the halcyon days of the 1950s and '60s would continue and

that their children could expect to live substantially richer lives than their parents did. A decade later, OPEC helped send the economy down, but back-to-back recessions did not so easily shatter firmly entrenched expectations.

The sober lesson from historians is that the good fortune of the '50s and '60s was odd and unlikely to be repeated. But even as expectations catch up with reality, frustration will not dissipate quickly. Important pockets of the country may not rebound soon. California is racked by defense cuts. Wall Street follows the roller coaster of stock and bond markets. Foreign competition threatens the jobs of white-collar managers through no fault of their own, a threat that had until now been mostly reserved for factory workers. Poverty is increasingly entrenched in urban ghettos, immune so far to public policy and, alarmingly, to the general health of the economy. Productivity grew at a 3 percent clip after World War II, but only by about 1 percent a year since 1973. That is the economy that causes frustration. The political consequence is sobering because there is no obvious remedy.

The Republican Party promises tax cuts and less regulation, which is almost surely unrelated to sweeping long-term forces in the economy. Bill Clinton had a deeper answer: to steer public and private spending toward productivity-enhancing investment in training and education. But his policies might not make a dent in living standards for a generation. The voters took out their anger on Mr. Clinton. By 1996 they may be looking for other targets.

—THE NEW YORK TIMES

Government as a Leading Player in the Export Game

By Jim Hoagland

NEW YORK — There is a good reason and a bad reason to raise serious questions about the Clinton administration's zealous approach to making trade the center of its foreign policy. And the Republicans are contemplating saddling up the wrong horse.

U.S. taxpayers spend about \$150 million a year to promote the export of American goods and services to foreign countries, proving that free trade does not come cheap these days.

With Republicans and Democrats simultaneously arm wrestling and foot racing over federal budget cuts and tax reductions of hundreds of billions of dollars, \$150 million sounds like a piddling line item. But this pocket change upsets some conservative Republicans, who question why government should spend anything at all on the business of American business.

They want to zero out the \$150 million being spent on federal trade missions and shows, on credit guarantees to exporters and subsidies for cheap loans to clients for American goods abroad.

To spend, or not to spend, on trade promotion is more than a question. It is also the cutting edge of a much bigger debate over the proper role of government during the power-sharing Clinton-Dole-Gingrich political cohabitation. The

side that conducts the debate on the government's role in trade and the economy with the most authority and persuasiveness will gain a commanding head start for the 1996 electoral showdown.

For the Clinton administration, the trade promotion expenditures are not just a bargain (when measured against the jobs and higher wages that exports create) but a strategy for securing America's economic future. The end of the Cold War has led large developing countries to drop trade and investment barriers and pursue free market development, opening up what Undersecretary of Commerce Jeffrey E. Garten describes as history's greatest era of commercial competition.

"American companies feel their entire future depends on getting in on the huge infrastructure contracts in India, Brazil, China and elsewhere that will be signed throughout this decade," says Mr. Garten. "The prize is enormous and the competition to get it can be very divisive" unless the world's main exporters reach agreement on "a framework to restrain unfair competition."

The Clinton administration has been readier to offer subsidized loans to close

contested deals than were its predecessors. Secretary Ron Brown has even established "a war room" at Commerce where inter-agency groups monitor and intervene in big foreign deals being sought by U.S. firms. Mr. Garten says the government "lent a hand in some \$46 billion worth of deals" abroad that helped create or save 300,000 U.S. jobs in 1994.

Mr. Garten expressed these views in a speech here the other day to the Council on Foreign Relations. To underline the growing importance of export growth to the U.S. economy, he was candid in saying that the United States "is locked into very large trade deficits for a long time to come" as imports continue to rise. If growth slows at home this year and next, pushing American exports upward is the only way for the economy to keep pace.

Thirty months ago Mr. Garten published a seminal book entitled "A Cold Peace" that predicted that the United States would enter into pitched and alliance-damaging commercial competition with Japan and America's European allies now that the Cold War is over. He says he takes no comfort from having to implement strategies that could help make his warning become fact.

He makes a persuasive pitch that Bill Clinton has authorized greater govern-

ment involvement and subsidies for trade to force the Europeans and the Japanese into serious negotiations on curtailing or ending these practices globally. But since those tactics result in increased U.S. market share while waiting for the others to see the light, the administration has its cake and eats it, too.

More troubling than the small justified investment that the government makes in trade promotion is the failure until now of the administration to integrate its aggressive trade policy with broader foreign policy values and initiatives. That is the right reason for raising questions about actions and statements that have left U.S. allies with the feeling that America has placed the pursuit of commerce above all other foreign policy objectives.

The president's deep involvement in selling jetliners to Saudi Arabia and spending days in Indonesia mouthing endless platitudes about trade with the Pacific Community (whatever that is) helped create that impression. In recent months he seems to have pulled back on such foreign salesmanship. That course correction should be maintained. Government has an important role in trade and the economy, but it does not extend to presidential babbling.

The Washington Post

Ignore 'Japan Fatigue' and Keep Opening the Japanese Market

By Thomas L. Friedman

HONG KONG — Here is a little-known fact for you:

In the 1930s, three-quarters of the cars in Japan were Fords. World War II and 50 years of Japanese protectionism reduced that to zero, but Ford is now spearheading a resurgence of U.S. car sales in Japan.

Ford boosted its Japan sales by 198 percent last year by improving quality, acquiring 300 showrooms, letting Japanese auto writers drive across America in a Taurus and even sponsoring the Hiroshima professional soccer team, which won the national championship with the Ford logo on its jerseys.

Last year Ford sold out its allotment of Mustangs for Japan in two months.

This is not a Ford commercial. But the Ford example is worth highlighting because it comes at a time when so many other U.S. businesses are giving up on Japan, saying that it is just too expensive and aggravating to

keep trying to break into the closed Japanese market.

Better, they argue, to focus sales — and U.S. trade diplomacy — on more open emerging markets in Indonesia, Malaysia, China and India. They call this "Japan fatigue," and it is a virus that has infected large segments of the U.S. business community and government.

Nothing could be more wrongheaded, and President Bill Clinton should be making clear to Japan's prime minister, Tomiichi Murayama, that he has not caught the dreaded disease. The Japanese quietly believe that they have won the Clinton team down. Here is why he should tell them they are wrong.

First, commerce is like tennis. If you don't play with better players, you never get better yourself. If American designers and salesmen are not in Japan following Japanese product re-

search and development and competing against the best Japanese companies for some of the world's most sophisticated consumers, they will never beat their Japanese competitors in China, India or Indonesia, either.

Second, if a U.S. company cedes the huge Japanese market to Toyota, that means Toyota can safely reap all sorts of profits at home, amass a financial war chest, then use that to cut prices on what it sells abroad and to outspend others for new plants in Thailand or China to tie up those markets as well.

Third, there is a lot of ambivalence in the U.S. public today about the merits of free trade.

There is no way any administration can maintain the fragile consensus for free trade if Japan, the world's second largest economy, continues to get away with murder — using hidden quotas, opaque regulations and business cartels to block U.S. imports.

Fourth, the Japanese claim that Ford's success proves what they have been saying all along — that if U.S. companies just came up with better products and more effort they could break into Japan. That is only half true. Yes, the products and effort have to be there, but if it were not for U.S. government pressure on Tokyo to squeeze its car dealers to give more showroom space to U.S. autos, Ford never would have broken in there, says Mr. Suzuki.

Economists complain that government pressure to open markets is "managed trade." You bet it is. In the managed Japanese economy you are either managed in or managed

out. (Ford's Japan sales, despite its upsurge, are still less than 1 percent of the Japanese market.)

Finally, the tide of history in Japan is turning America's way. I went to the new Toys "R" Us superstore outside Tokyo. It was packed with holiday shoppers hauling away bargains while the Muzak played Motown hits. Thanks to their recession, Japanese consumers are eager to be Kmart shoppers. They want the sort of U.S.-style retail competition and discounting they have never had.

This is no time to turn away from this market. You don't get better playing tennis with Malaysia; you don't get rich, either. It would be a shame if the only thing produced by 20 years of Sisyphusian U.S. trade policy toward Japan was to open the Japanese market for Korean contractors, German automakers, French farmers and Japanese discounters.

The New York Times

Rest Assured, America's Asia-Pacific Commitment Is Here to Stay

By Admiral Richard C. Macke

HONOLULU — As commander in chief of the U.S. Pacific Command, I have learned to expect two basic questions when I travel.

The first originates from Americans in government and business. They want to know, "What's on your minds out there in the Asia-Pacific region?" The answer, of course, is "yes," and the supporting evidence is overwhelming.

In his first overseas visit, President Bill Clinton traveled to Asia, where he articulated the vision of a New Pacific Community.

That clear strategic commitment has been backed with substantive decisions. The U.S. leadership has not shrunk from the tough challenges — international and domestic — embodied in the nuclear negotiations with North Korea, engagement with China, and trade policy with Vietnam.

The military forces in the Pacific Command were spared the

brunt of force reductions. Our forward forces, at about 100,000, will be on a par with forward forces in Europe — quite a contrast to the Cold War, when the Europe-to-Asia ratio was more than 4-to-1.

This commitment is backed by important refinements. A plan for repositioning forces and improving strategic mobility will greatly enhance the U.S. ability to reinforce its forward forces.

Still, naysayers persist. Some survey the long record of U.S. commitment to Asia, observe that the future is uncertain, and deduce that things will have to change. They predict the withdrawal of U.S. forward forces and the gradual retraction of U.S. security guarantees. They extrapolate individual events — such as human rights controversies or the

loss of Philippine bases — into inevitable trends toward diminishing U.S. influence and interest. Others concede that the United States has good intentions but speculate that a tight U.S. budget combined with disappointment over unbalanced trade will torpedo the altruistic commitment to the region.

The naysayers are wrong to view U.S. strategic commitment as some act of nature, prone to unpredictable shifts. This strategic commitment represents a bipartisan decision by American leaders who care about U.S. national interests and the future of the Asia-Pacific. U.S. strategic resources will be adequate — not merely because of good intentions, but because America's best interests underscore this commitment to the Asia-Pacific region.

The United States has demonstrated its credentials as a Pacific

nation over more than a century of engagement, and through three Asian conflicts that cost more than 100,000 American lives.

Alternative arrangements for forward military presence are being cooperatively developed, with the emphasis on "places" rather than "bases." The agreement with North Korea is a solid arrangement that relies on reciprocal performance, not trust, and which will address one of the most serious threats to the region and the world. America's Asia-Pacific trade continues to expand.

The U.S. engagement is pervasive and persistent.

Granted, the process can be awkward. Different cultures sometimes disagree on the optimal approaches to democracy and human rights.

If the tone of our discourse occasionally rises, however, it reflects an engagement of increased intensity, not declining interest. It also reflects the vigor and diversity of opinion that we associate with rising prosperity and democracy — the very goals of U.S. engagement in the region.

Can I put this question of U.S. engagement to rest? No. The question is simply too important to the Asia-Pacific nations. They know that their prosperity depends on an environment of stability — and that stability in turn rests on U.S. presence.

They cannot afford to relax their vigilance on this issue. America's apparent inability to ally these concerns can be frustrating. But it is infinitely better to face regional concern than regional indifference — or rejection.

"What's on their minds out there?" and "Will the United States stay engaged?" I'll have those questions again. But as far into the future as I can imagine, the answers will stay the same.

International Herald Tribune

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Chinese Defeated

KAI-PING — The disposition of the Japanese troops along the line from Hailuogang having been completed in accordance with General Nodzu's plans, a forward movement was ordered three days ago. Early yesterday [Jan. 11] morning a brigade of the second army marched against the Chinese force encamped in the vicinity of Kai-Ping. The fighting lasted four hours until the Chinese fell back before heavy fire and were completely defeated.

1920: A Heated Debate

PARIS — Newspapers received from Buenos Aires describe turbulent scenes in the Argentine Congress during a debate on the right of the President of the Republic to intervene in the affairs of the States of San Juan and Santiago del Estero. The Opposi-

tion impugned the President's policy. The behavior of the occupants of the Chamber of Deputies passed all bounds of decency. Verbal interruptions proceeded to the throwing of eggs. A Deputy hit by an egg returned fire with an inkpot, missing his mark and smashing an electric light globe.

1945: Young Soldiers

PARIS — Five German children, who were incited by agents of the Nazi S.S. police and the Hitler Jugend to commit acts of sabotage and steal arms and ammunition belonging to the American Army in the areas behind the 1st Army front, have been arrested and are being held. One boy was as tough and truculent as some of the worst S.S. troops who have been captured. He did not seem to realize that his acts had been committed by an adult, they would merit a death sentence.

International Herald Tribune

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OPINION

A Firm Stance on Bosnia Could Help Far Afield

By Gideon Rafael

JERUSALEM — On Jan. 1, the one-thousandth day of the siege of Sarajevo, the two sides fighting in Bosnia signed a new cease-fire agreement. Was this a virtuous New Year's resolution or a turning point in the fortunes of the tormented country? Would it take hold or suffer the fate of its countless predecessors? Would it lead to a just peace or just to the appeasement of the aggressor?

A variety of omissions and commissions will determine its fate. The warring parties agreed to lay down their arms only after

A UN withdrawal, leaving the aggressors to have their way, could have fateful consequences, as it did when the UN force left Sinai in 1967.

concluding that continued fighting would not, for now, further their ultimate objectives.

Experience, reaffirmed in the Middle East, has shown that war fatigue is a potent, if rarely admitted, reason for calling a halt, temporary or not, to hostilities.

Parties to a conflict may intend to use a cease-fire to recover their military strength for another round or to try to reach their goals by diplomatic means. Outside forces can decisively influence their course.

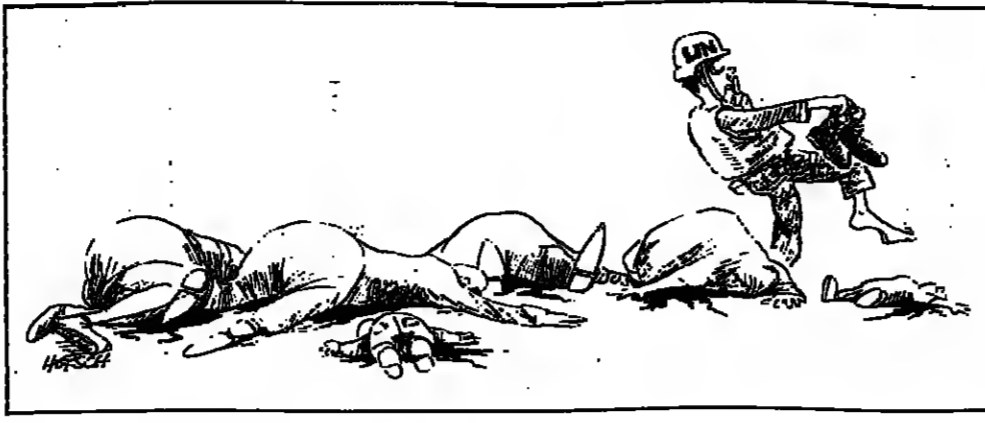
In the Bosnian theater of war, the United Nations plays a

prominent role. Its peacekeepers and administrative staff have shown astounding endurance under provocative assault. Their continued humanitarian relief operation adds a page of valor to the annals of the organization. Withdrawing the UN force in the face of Serbian aggression would be a move fraught with disaster not only for the future of the world organization but for the restoration of peace in Bosnia and still unaffected parts of the Balkans.

Of course, the United Nations, as such, lacks the power to impose peace. Its rare achievements in the field of peacemaking occurred when the parties to the conflict, supported by the consent of the principal powers, enlisted the good offices of the United Nations for the peaceful settlement of their dispute.

In the area of peacekeeping the United Nations has succeeded where the parties were eager to use its presence as a wall of separation, shielding them from new collision. It has failed where it served as a sanctuary to protect an aggressor from retaliation by the aggrieved party.

Those who advocate a UN withdrawal from Bosnia should examine the consequences of the unconditional evacuation of the UN Emergency Force from Sinai in 1967. It had been established 10 years earlier to prevent a new military confrontation between Egypt and Israel and to protect freedom of navigation in the Gulf of Aqaba. When the United Nations folded its tents on Nasser's command and the great powers



failed to fill the vacuum, the outbreak of war became inevitable. The 1967 war was to be followed by two more full-scale Arab-Israeli wars in the ensuing quarter-century.

The UN's fateful error in 1967 not only eroded faith in its usefulness as an instrument of peace but dominated the political and strategic scene for years, until efforts for a peaceful settlement finally took hold.

The prospects that the latest cease-fire in Bosnia (or, if not, some future one) might evolve into a permanent settlement do not depend on the United Nations. But backed by the military and political resolve of the powers engaged in the process, it can be of valuable assistance.

Unfortunately, the five-power contact group has not convincingly manifested its steadfastness and unity of purpose. Russia openly favors the Serbian side. Its lenient attitude toward the Serbian assault on the political independence and the territorial integrity of Bosnia, a sovereign member state of the United Nations, contrasts blatantly with the measures of suppression, conducted with Bolshevik brutality, it has employed against the rebellious Chechens.

In this context, suspicions are not out of place that Moscow's

policy in Bosnia points to a possible relapse into the old Soviet ways of exploiting regional disputes and spoiling efforts at their peaceful solution.

But the accord between the four NATO members of the contact group (Russia being the fifth member) is far from perfect. Germany has carefully watched its step on Balkan soil that is soaked with the blood of the victims of Nazi savagery.

The torment of the current war, with images of emaciated bodies in concentration camps, hungry and drifting masses, and victims of "ethnic cleansing," evoke images not seen in Europe since World War II.

British-French diplomacy in Bosnia moves discreetly, seeking Sarajevo's salvation in Belgrade, not by powerful intervention but by timid attempts to accommodate President Slobodan Milosevic's aspirations (a policy repeated recently by France in Iraq, when it broke the UN-decreed diplomatic boycott in an attempt to ingratiate itself with Saddam Hussein).

The Serbian minorities in Croatia and Bosnia are Mr. Milosevic's pawns, much as the Germans of the Sudetenland were once used to advance Nazi designs for a Greater Germany.

Yielding to Belgrade's dreams of a Greater Serbia by the gradual dissection of Bosnia or by its military occupation will bring a new nightmare to Europe, leaving the Balkans devastated and endangering the fabric of the Western alliance, which failed to resist the aggressor.

And where does the United States, the most powerful member of the contact group, stand? It wavers between support of the legitimate government of Bosnia and a tendency to accommodate Mr. Milosevic and his supporters, East and West.

The United States cannot abandon, without harm to its national interests, its international responsibilities in regions like the Balkans, where smoldering fires can expand into horrifying conflagration. A firm American stand on Bosnia, refusing to reward its aggressors, will fortify the Western alliance, evoke respect in Russia, quench the fires of war in the Balkans and fan the winds of peace in the Middle East.

The writer is a former director general of the Israeli Foreign Ministry and former ambassador to the United Nations. He contributed this column to the International Herald Tribune.

Just Let Newt & Co. Go Private

By Arthur Miller

ROXBURY, Connecticut — It is great news, this idea of selling a House office building now that the Republicans are dissolving so many committees and firing their staffs.

But I wouldn't be surprised if this is only the opening wedge for a campaign to privatize Congress. Yes, let the free market openly raise its magnificent head in the most sacred precincts of the Welfare State.

The compelling reasons for privatizing Congress are perfectly evident. Everybody hates it, only slightly less than they hate the president. Everybody, that is, who talks on the radio, plus millions of the silent who only listen and hate in private.

Congress has brought on this hatred, mainly by hypocrisy. For example, members are covered by complete government-run health insurance — while similar coverage for the voters was defeated, with the voters' consent and support, no less.

The voters, relieved that they are no longer menaced by expensive health insurance administered by the hated government, must nevertheless be confused about not getting what polls show they wanted.

The important point is that though they are happy at being denied what they say they want, they also know that the campaign to defeat health insurance was financed by the big private health insurance companies to the tune of millions of dollars paid to congressional campaigns. The result is that with all their happiness, the voters are also aware of a lingering sense of congressional hypocrisy.

Health care is only one of many similar issues — auto safety, the environment, edu-

caution, the use of public lands and so on. The way each issue is decided affects the finances of one or another business, industry or profession, and these groups naturally tend

to butter the bread of members of Congress.

We can do away with this hypocrisy by making Congress a private enterprise. Let each representative and senator openly represent, and have his salary paid by, whatever business group wishes to buy his vote. Then, with no excuses, we Americans will really have the best representative system money can buy.

No longer will absurdly expensive election campaigns be necessary. Anyone wanting the job of congressional representative of, say, the drug industry could make an appointment with the council of that industry and make his pitch.

The question arises whether we would need bother to go through the whole election procedure. But I think we must continue to ask the public to participate lest people become even more alienated than they are now, with only 39 percent of the eligible voters going to the polls in November.

A privatized Congress might well attract a much higher percentage of voters than the present outmoded one does because the pall of hypocrisy would have been stripped away and a novel bracing honesty would attract voters to choose whichever representative of the auto or real estate industries or the date growers

they feel most sympathy for. Once Congress is privatized, the time would have come to do the same to the Supreme Court and the Justice Department.

If each justice were openly hired by a sector of the economy to protect its interests, a simple haggling process could settle everything. The auto industry justice, wishing to throw out a suit against General Motors or Ford, could agree to vote his support for the agricultural justice, who wanted to quash a suit by workers claiming to have been poisoned while picking cabbages.

Some will object that such a system of what might be called legalized corruption would leave out the public and its interests. But this is no longer a problem when you realize that there is no public and thus no public interest in the old sense.

As Margaret Thatcher once said, "There is no society," meaning that the public consists of individuals, all of whom have private interests that to some degree are hostile to the interests of other individuals.

Possible objections: The abstract idea of justice would disappear under a system that takes only private economic interests into account. Second, the corporate state, which this resembles, was Mussolini's concept and resulted in the looting of the public by private interests empowered by the state.

Objections to the objections: We already have a corporate state. All privatization would do would be to recognize it as a fact.

Conclusion: We Americans are in bad trouble.

Mr. Miller's last play was "Broken Glass." He contributed this view to The New York Times.

LETTERS TO THE EDITOR

Views of Chechnya

The fact that the Russian intervention in Chechnya went horribly wrong, resulting in immense human tragedy, should not obstruct its underlying legitimacy and necessity.

For better or worse Chechnya has been part of Russia for very long. It cannot legitimately break away unilaterally. The country has become a base for organized crime syndicates. In this respect, parallels with the American intervention in Panama for the removal of Manuel Antonio Noriega are not far-fetched. One can only wish that the Russians had carried out their military operation as successfully as did the Americans.

J. BRAUNER, London.

Since one cannot possibly write it off as coincidence, the editors of the International Herald Tribune must be congratulated for having assembled on a single editorial page on Jan. 6 four outstanding articles on the war in Chechnya, by very different authors, but all personalities of world standing.

While viewing the brutal repression of Chechnya from different perspectives, they all condemn the gross violation of human rights, but also the

meekness of the reaction of the international community. Have we not seen enough attempts for a "final solution" during this century to stand by, watch and search for even a dubious justification for the indiscriminate killing of people, simply because they want to preserve their identity?

BOHDAN HAWRYLYSHYN, Geneva.

Words Too Familiar

Regarding "End the Carnage in Bosnia. Even on Unfair Terms" (Opinion, Dec. 2) by George Kenney:

Mr. Kenney's remark, "They don't want all of Bosnia" reminds me of what some people said 56 years ago: "He doesn't want all of Czechoslovakia."

When are experienced diplomats finally going to learn that prompt payment never stops an extortionist but only encourages him to demand more?

JANE M. MUEHLUM, Eltville am Rhein, Germany.

Look Hard at Aid

Regarding the Washington Post editorial "Defend Foreign Aid" (Opinion, Nov. 29):

This editorial dismisses casually the critical question of the relation between resources ex-

pendent and results obtained. While everyone knows that there are serious problems with the United Nations agencies, the World Bank and the Agency for International Development, critics of foreign assistance are treated condescendingly, gratuitously told that foreign aid is humanitarian and an important instrument of foreign policy. To sniff at critics of foreign aid as "isolationists" may make members of the foreign policy establishment feel cozy and righteous, but it does not advance their argument.

U.S. experts most intimately involved with the implementation of foreign assistance are acutely aware of genuine and serious problems.

We expect from Senator Jesse Helms and the members of his Foreign Relations Committee no less than serious professional appraisal and constructive change. They could begin by installing a professional oversight capability on the committee staff.

It is wrong to target only the Agency for International Development. The projects of the World Bank and other UN agencies, often sadly off the mark, should be subjected to continued professional evaluation by the Congress.

Foreign assistance is a bipartisan problem. The withdrawal from Unesco did not harm U.S. foreign policy, and it was greeted with bipartisan relief.

JAMES M. B. KEYSER, Ankara.

Fighting the Drug War

Regarding "Legal Drugs Would Be a Cruel Hoax" (Opinion, Jan. 4) by A. M. Rosenthal:

"Whether or not most supporters of drug legalization are otherwise decent people," in Mr. Rosenthal's phrase, one thing is certain: The criminal elements who profit from drug traffic — and this includes some of the most powerful and influential members of society — are uniformly and vociferously opposed to any form of drug legalization. So let us keep an open mind, and an open eye.

HENRY BLUMENFELD, Gif-sur-Yvette, France.

It is strange that A. M. Rosenthal, who writes so intelligently about other topics, should be blind to the fact that the greatest evils caused by drugs do not arise from drug use, but from the present policies of repression, and that police measures will never succeed in curbing production and distribution of a product that offers such fabulous margins.

It is a pity that, rather than advocate stronger measures which are bound to fail, Mr. Rosenthal does not support an exploration of steps that would lead to worldwide controlled legalization.

L. BODMER, Zollikon, Switzerland.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Democracy in Sweden's 'Secret' Arms Program

Regarding the report "Sweden's Quiet Quest: Nuclear Arms Option" (Nov. 26):

A forthcoming study from the Stockholm International Peace Research Institute comes to markedly different conclusions from those of the article in question. Where the article sees secrecy, the SIPRI study finds democracy in action.

The genesis of the program and Sweden's nuclear option was not quiet or secret. Polls in the mid-1950s showed that some Swedes would be less willing to fight to defend the country against a nuclear-armed aggressor if Sweden were not armed with nuclear weapons. In response, the Swedish government sought to design a nuclear bomb. Most Swedes polled then wanted a nuclear arsenal. The program was discussed in the Parliament and every newspaper in the country.

In 1957, the volatility of public opinion about nuclear weapons created a government crisis. While the government and a slim majority of the public still favored building nuclear weapons, the anti-nuclear minority refused to compromise and threatened to bring the Social Democrats' dynasty down. It was in this context that the Social Democrats convened the Atomic Weapons Committee.

The committee was not "secret" in the national security sense, but confidential in the political sense. The minutes of the committee's meetings were not made public until recently because they made clear that Sweden's nuclear weapons would have been meant to deter or break up a Soviet landing on Sweden's southern coast. But the proceedings of the committee are well-known. One account was published in 1960.

The Agesta reactor was built as a power reactor that could serve as a stopgap source of plutonium for Sweden's nuclear arsenal. The main source was to have been the never-completed Marviken reactor. In 1958, six years before it started up, Sweden agreed to put Agesta under U.S. safeguards in exchange for cheap uranium.

International safeguards under the Nuclear Nonproliferation Treaty were not created until after Agesta was shut down. The fact that Sweden had not "formally" disclosed Agesta's status to the International Atomic Energy Agency until September 1994 should be considered in context: The Swedish press has followed Agesta's status assiduously. Hans Blix, the director of the IAEA, is Swedish and could hardly be unaware of it.

After years of rebuffs in Parliament, the Swedish military accepted that nuclear weapons were not in the offing. Since the mid-1960s, the nuclear option has been foreclosed. The design of Agesta was found to be poor, Marviken's reactor was canceled, the government and the military had lost interest in the nuclear option, the Parliament and the public came to oppose nuclear weapons, and the Foreign Ministry locked Sweden into its non-nuclear status through the NPT.

Every aspect of democratic governance had a role in sustaining Sweden's decision not to build a nuclear arsenal, as noted in the report from SIPRI.

ERIC ARNETT, Solna, Sweden.

The writer, an American with SIPRI, is author of the forthcoming, "Sweden's Decision Not to Build Nuclear Weapons: Implications for Policy Today."

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CITATION VII



Tough Talk Greet Murayama

Clinton Demands Further Progress on Trade

Compiled by Our Staff From Dispatches
WASHINGTON — President Bill Clinton met with Prime Minister Tomiichi Murayama of Japan on Wednesday and said that the two countries had gone a long way to resolving trade disputes but that "further progress must be made."

"We are clearly making progress, but not enough, and we have to move on auto parts and autos," Mr. Clinton said at a White House news conference with Mr. Murayama.

Mr. Murayama spoke more generally of making "efforts to advance the Japan-U.S. partnership."

Trying to cast the trade issue in domestic terms, Mr. Clinton said that encouraging free trade would bring more high-paying jobs to the United States and "give Americans a chance to fulfill the American dream."

He said the U.S. trade deficit with Japan would narrow if Japan's economy continued to grow and the countries carried out new trade agreements.

"If we can implement these agreements that we have reached, and if we see the Japan growth rate coming up to about the American rate," he said, "then I think you will see a tightening of that trade deficit."

But Mr. Clinton said imports and exports would "never be in rough parity" unless "we make some progress on autos and auto parts because that's about 60 percent of the trade deficit" with Japan.

On the subject of North Korea, the two leaders pointed to their support for a deal to provide light-water nuclear power reactors to Pyongyang as a way to head off its suspected development of nuclear weapons.

Mr. Clinton defended the nuclear agreement as important in spite of Republican criticism that Washington was too soft in dealing with Pyongyang.

"Working together with our South Korean allies," he said, "we have confronted the nuclear threat and stopped it."

Mr. Murayama said Tokyo would play a "significant financial role" but gave no details.

An consortium that includes the United States, Japan and South Korea is to provide more than \$4 billion to finance the two reactors for North Korea.

Even as Washington and Tokyo tried to put a positive spin on their relationship after the signing of an accord, announced Tuesday, providing greater access to Japanese financial services markets, a separate U.S. proposal to reduce auto trade tensions got a chilly reception in Japan.

In response to Commerce Secretary Ronald H. Brown's call for direct U.S. talks with Japanese automakers, the president of Honda Motor Co. said, "Our job is to do business, and we aren't interested in doing anything else." Mr. Brown said Wednesday that he expected such talks to take place anyway.

No breakthroughs were expected Wednesday on U.S. efforts to broaden the Japanese market for American cars and parts. (AP, Reuters)

PESO: U.S. Acts to Ease a Financial Crisis in Mexico

Continued from Page 1

meeting its short-term financial obligations."

Nora Lustig, a specialist on the Mexican economy for the Washington-based Brookings Institution, said an "overkill" rescue package of as much as \$30 billion may be needed to impress the investment community that Mexico will pay its debts.

About \$3 billion of the \$9 billion U.S. package is scheduled to expire in six months, but Mr. Clinton expressed a willingness to extend that expiration date.

"We have a strong interest in prosperity and stability in Mexico," he said. "It is in America's economic and strategic interest that Mexico succeeds."

The \$18 billion line of credit to the Mexican government is to be supplemented by further credits under discussion with the International Monetary Fund, and Mr. Clinton called on the IMF to "work quickly" to put in place a "substantial" lending program.

Of the \$18 billion, \$9 billion is being supplied by the United States; \$1 billion by Canada, another partner in the North

American Free Trade Agreement; \$5 billion by the Bank of International Settlements, and \$3 billion by commercial banks.

'Much More' Is Needed

Lawrence Malkin of the International Herald Tribune reported from New York:

Wall Street is waiting to see the size and shape of any expanded rescue package before deciding whether to keep its money south of the border.

How much is needed? "More. Much more," said Robert D. Hormats, a former government economic official and now vice president of Goldman, Sachs International.

Geoffrey Bell, a former British Treasury official who has lived through British devaluations in past years and now runs a New York consulting firm covering Latin America, warned that any rescue package must be huge — \$40 billion or even \$50 billion — in order to calm investors in Mexico into keeping their money there.

"The \$18 billion simply isn't large enough to convince anyone," he said.

Financial officials in Washington acknowledged that Mr. Clinton faced a dilemma in making good on his pledge to stand behind Mexico. He is unlikely to obtain support from Congress for a government-guaranteed loan. Members of his own party introduced bills on Wednesday to break the North American Free Trade Agreement.

He can also augment the package with credits from other governments, but Japan has been a reluctant contributor, and Europe now may need its own reserves to help stabilize the Italian lira, the Spanish peseta, and, as the presidential election approaches this year, the French franc.

Finally, there is the Fed, which has already put up \$4.5 billion of the \$18 billion credit. Theoretically, the central bank can create unlimited amounts of dollars to buy up unwanted Mexican pesos, but doing that risks more inflation in the United States at precisely the time when the Fed is trying to slow the economy by raising rates to limit the demand for money.

UN Agency Moving to Bonn

Agence France-Press

BONN — The United Nations Development Program has decided to transfer its headquarters for volunteer workers to Bonn, Foreign Minister Klaus Kinkel of Germany announced Wednesday.

Oleg Lobov, secretary of the Russian Security Council and a strong supporter of the war, de-



Dzhokhar Dudayev, the Chechen leader, speaking at a press conference on Wednesday.

RUSSIA: Chechen Leader Admits He Can't Win War

Continued from Page 1

Russians do not trust him. He has called for talks before and then set conditions.

But Mr. Dudayev is clearly in a badly weakening position in Grozny. And despite domestic and international criticism of the war, Mr. Yeltsin may prefer to open talks only after the presidential palace is taken.

Mr. Dudayev said that no military solution was possible, and that Russian efforts to achieve one would lead to a wider war in the Caucasus and more political trouble for Mr. Yeltsin. "Only a peaceful solution is possible," he said. "Every day leads to a deepening crisis, not here, but in Russia."

Asked if independence for Chechnya remained nonnegotiable, he said: "Full or partial independence, it's a relative

matter. Russia has interests in the Caucasus. But Russia cannot ignore our interests and rights to life, to creation, to our point of view. All these issues, everything, can be settled in an hour, with one flick of the pen at the negotiating table."

Looking trim but wan and surrounded by guards, Mr. Dudayev met reporters at the Zarya Sanatorium, a resthouse for oil and chemical workers, just inside the southern edge of Grozny, where Russian troops have never appeared. Mr. Dudayev has not given a press conference since Dec. 18, a week after Moscow intervened militarily, and there were many reports that he had left the presidential palace for safer ground.

He brushed off such questions, saying, "I am where I need to be, and where people need me." He said he would

meet other Caucasus leaders in the interim outside Grozny, and claimed that if the war continued and became a guerrilla conflict, it would spread throughout the region.

He said the conflict was unwinnable, "even if you demolish all the villages and level the Caucasus to the ground," and he applauded what he called the victory of young democratic institutions in Russia that have sharply criticized the war.

In Moscow, parliamentarians blasted Mr. Yeltsin on Wednesday for his handling of the Chechnya conflict but shied away from adopting measures to halt the military campaign in the rebel region.

The Duma debate was adjourned until Friday.

"And what victory for us?" Mr. Dudayev asked. "Certainly, we cannot withstand such a power as Russia; it was clear. But winning militarily is impossible. The nation's aspiration to freedom and the right to life is given by God, and cannot be taken away by anyone except God."

In an interview in central Grozny, Mr. Dudayev's commander in the city, Colonel Ilyas Arsanukayev, said his forces were brave and committed but were running out of ammunition and armor, needed anti-aircraft weapons and suffered from lack of organization.

"But unit by unit," he said, "many professional armies would envy us." Even "if Grozny is occupied, we won't stop fighting," Colonel Arsanukayev said. "We'll fight not just in Chechnya, but in Russia, too."

"We've held off an army that kept the whole world in terror and occupied a fifth of the world," he said proudly. It's a weakened army, he admitted, but it has the same weapons "and the same conquering ideas."

U.S. Sees Violation

Russia, by its military action in Chechnya, has violated European security principles that President Yeltsin signed on to last month, the United States said Wednesday, according to Reuters.

The State Department spokeswoman, Christine Shelly, said Washington would express strong concerns about this at a meeting planned for Thursday in Vienna.

"Now, after considerable review of the information available to date, we have concluded that Russia has not fulfilled all of its commitments under the OSCE and the Helsinki Final Act," Ms. Shelly said at a news briefing, referring to the Organization for Security and Cooperation in Europe.

Accord Clears Bonn To Start Returning Illegal Vietnamese

By Craig R. Whitney
New York Times Service

BONN — Germany said Wednesday that it would soon begin forcibly repatriating some of the 40,000 Vietnamese immigrants who are in the country illegally, and that Hanoi had agreed to accept all of them by the year 2000 in exchange for increased German trade and economic aid.

Another 60,000 Vietnamese whose legal status as political refugees or immigrants has been recognized by German authorities would not be affected, officials said.

They said the accord would eliminate a legacy of the Cold War and enable Germany to compete more effectively with the United States and Japan in the emerging market economy in Vietnam. They rejected criticism that the agreement sacrificed human rights for business aims.

"There are about 20,000 Vietnamese whose applications for asylum have been rejected, and these would be the first to be considered for repatriation," said Bernd Schmidbauer, one of the two German officials who negotiated the agreement in Hanoi last week.

The Vietnamese authorities had agreed to take back at least 2,500 people this year, 5,000 next year and more every year after that, he said.

"We assume there will be some Vietnamese citizens who will want to go back voluntarily, but we do not know exactly how many there will be," he added.

Pban Huy Oanh, a Vietnamese refugee who has lived in Europe for 20 years, said, "Only a small percentage want to go back voluntarily."

Long delayed by Vietnamese

refusal to guarantee that the returnees would be welcomed back, the agreement commits Germany to provide \$130 million in aid over the next two years, part of it to be given to the refugees to help them get a new start in Vietnam.

The German government will also make available \$65 million next year to underwrite risk insurance for German investment projects and exports in Vietnam. Daimler-Benz AG, the Stuttgart automotive giant, said Wednesday that it was planning to build a \$70-million Mercedes-Benz bus factory in Ho Chi Minh City.

West Germany offered political asylum to thousands of refugees from Vietnam during and after the war that ended with the Communist victory there in 1975. Some of the others were Vietnamese workers and their families brought in as laborers and students by Communist East Germany in the 1980s.

There were about 62,000 of them there when communism collapsed in 1989, and about 12,000 stayed after unification in 1990 despite a government offer the following year of a free plane ticket and \$2,000 cash for every one who agreed to return home voluntarily.

Tens of thousands more Vietnamese were among the hundreds of thousands of refugees and applicants for political asylum from all over the world who flooded into the united Germany before mid-1993, when it eliminated a constitutional guarantee of an asylum hearing for anyone who could get into the country and apply.

About 11,000 people from Vietnam applied for political asylum in 1993 and nearly 3,500 did last year, German officials said, with more smuggled in illegally by criminal groups.

COLONY: Worries Are Piling Up

Continued from Page 1

currency devaluation spreading throughout other international markets, Hong Kong has received an additional blow.

"On a fundamental economic basis, the Asian-Pacific economies are qualitatively a 1,000 miles away from Mexico," said Jim Walker, regional research director with Credit Lyonnais Securities (Asia). "But financial markets don't always look at fundamentals."

In recent days such Asian currencies as the Indonesian rupiah, Philippine peso and Hong Kong dollar have lost value against the U.S. dollar as traders grew nervous and speculators sensed a profit in the disturbances.

Despite its link to the U.S. dollar, foreign exchange dealers reported Wednesday an unusually strong presence of foreign speculators in the market. They appear to be betting that local monetary authorities will allow the local currency to weaken further against the U.S. dollar.

The currency peg, which pits Hong Kong's reserves against any attempt to force the local unit any more than 1 percent away from a link of 7.8 Hong Kong dollars to \$1, was devised in 1983 to counter currency instability linked to political uncertainty here.

"People challenging the currencies will be a short-term re-

sponse, but we would be underestimating things if we expect a return to unquestioned levels of confidence in these markets," Mr. Walker said. "People will be forced to analyze these economies more closely, but I believe Asian economies generally will come out better off in comparison with others."

But Hong Kong has still more difficulties ahead, according to analysts.

Higher interest rates give local investors greater incentives to keep their money in the bank rather than in stocks or properties. They also increase mortgage payments, a trend blamed by many retailers and some restaurant operators for a markedly slow second half of 1994.

"Every inflationary boom is followed by a hangover period," said Mark Faber, a Hong Kong fund manager and analyst.

"We took the view a year ago that the stock market would go below 6,000," Mr. Faber added. "And the way we see the property market developing, we think it could go down significantly more."

"Few have realized yet that Hong Kong's bubble was in fact every bit as excessive as that of Tokyo by the end of the 1980s," said Peter Everington, a hedge-fund manager with Regent Pacific Group Ltd. in Hong Kong. "The coming pain will be comparably severe."

OLYMPICS: Battling a Bias

Continued from Page 1

Spanish athlete, to carry the plaque with the country's name. "It's shameful that the Olympic organizers went along with this," she said.

The Atlanta Plus group includes women's groups from France, Belgium, Germany and Sweden and is seeking support in Canada and the United States.

"This fight is new and it will be tough," said Anne Marie Lizin, Belgium's former minister for European affairs and an Atlanta Plus organizer. "But nothing will discourage us."

At the meeting in the French Senate, speakers said that throughout Europe, politicians and teachers were becoming sensitized to the growing discrimination against women by Islamic fundamentalists because they saw it happening among immigrants.

One area in which the discrimination is manifest is

sports. At schools in France, Belgium, Germany and the Netherlands, Muslim immigrants in recent years have begun insisting that their daughters not participate in sports.

Atlanta Plus members say that Iran is the only country they know of that has explicitly banned women from most sports but that others are doing so quietly.

Chahla Chafiq, an Iranian sociologist, said that women in Iran may practice only those Olympic sports in which they can wear head-to-toe robes and veils.

According to the 1992 Olympic yearbook, of the 169 countries that sent athletes to Barcelona, 34 had no women participants. Among those 34, some delegations had only half a dozen or even fewer men, and said at the time that they lacked talented athletes or funds.

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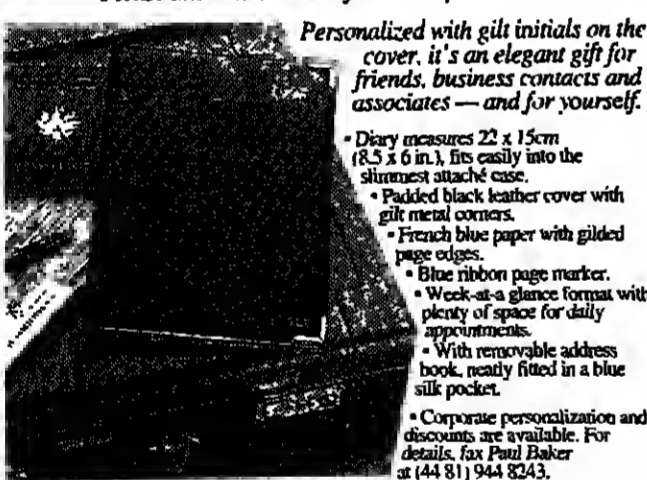
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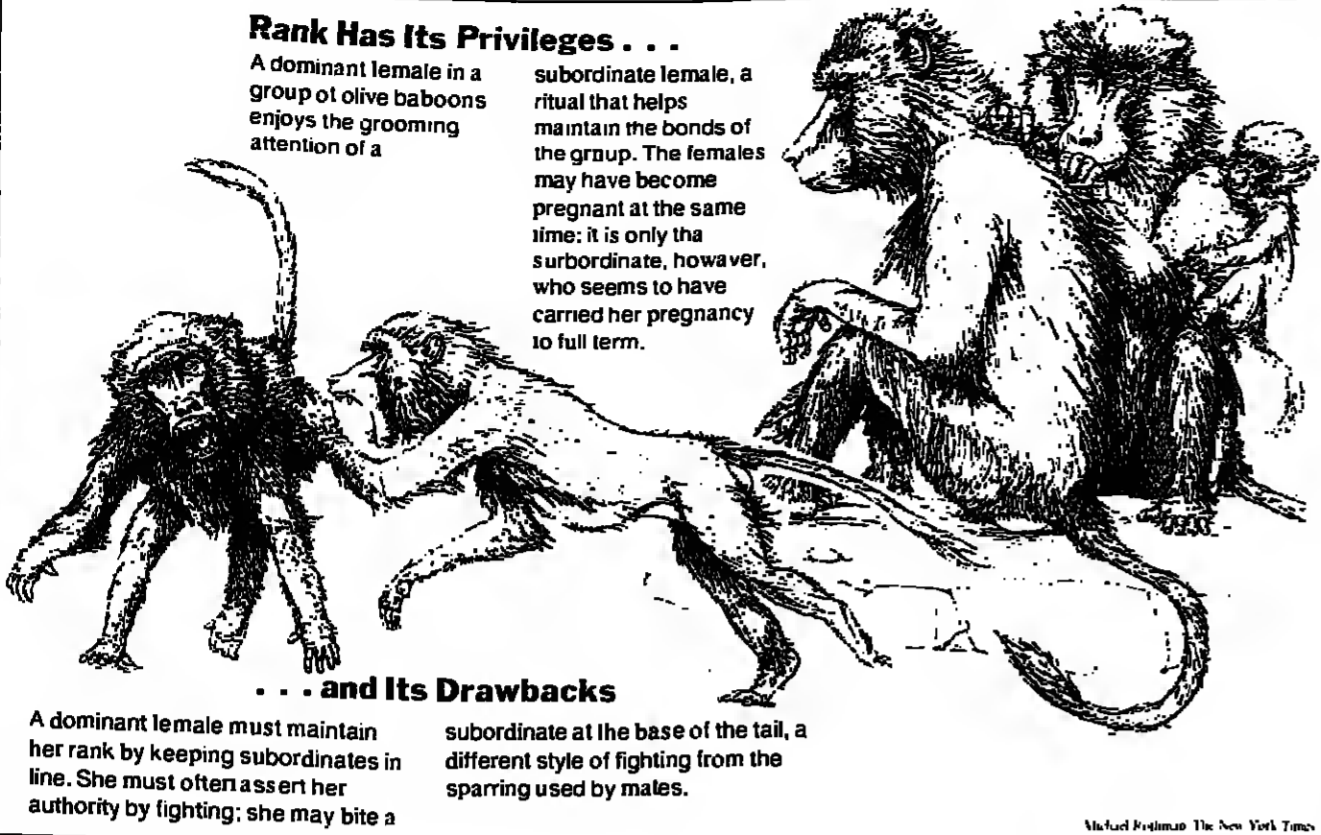
سكرا من الامم

HEALTH / SCIENCE

Rank Has Its Privileges . . .

A dominant female in a group of olive baboons enjoys the grooming attention of a

subordinate female, a ritual that helps maintain the bonds of the group. The females may have become pregnant at the same time; it is only the subordinate, however, who seems to have carried her pregnancy to full term.



. . . and Its Drawbacks

A dominant female must maintain her rank by keeping subordinates in line. She must often assert her authority by fighting; she may bite a

subordinate at the base of the tail, a different style of fighting from the sparring used by males.

Michael Friedman/The New York Times

Baboon Society: Perils of Power

By Natalie Angier
New York Times Service

NEW YORK — She had been poor and she had been rich, and everybody believed the vaudeville star Sophie Tucker when she assured them rich was better. Wealth, fame, success, status: These are the glorious bonuses of life, out of reach to most, perhaps, but desirable to nearly all. Who can doubt the plentiful benefits that come with being at the top? Who but . . . a baboon?

A long-term study of female olive baboons living in Gombe National Park, Tanzania, has revealed that while the high-ranking individuals in a group do indeed reap many nutritional and reproductive rewards from their status, they also pay a few unexpected costs.

The baboons that are the crème of their highly hierarchical and female-centered society — the grandes dames and their prima donna daughters — are able to monopolize the best foraging sites and to displace subordinates that happen first on a tasty patch of grass nodules or palm nuts.

As a result of their greater access to food, the alpha females reach maturity faster, their infants are likelier to survive, their daughters tend to become alpha females themselves and they can start reproducing again more quickly after each birth, compared with their beta through omega counterparts.

However, the dominant females turn out to have a much higher rate of miscarriage than do their subordinates, and in some cases they are not able to breed at all, a rarity among female mammals.

The new study suggesting that there is a price for being boss baboon, and that price

is the most dreaded title of all, reduced fertility, was reported in the journal *Nature*. Dr. Craig Packer of the University of Minnesota in Minneapolis, who analyzed data that he gathered at Gombe with the naturalist Jane Goodall and her co-workers, proposes that the fertility problems the dominant females experience are linked to aggressiveness: The higher the female's status, the more aggressive she is likely to be, and possibly the more she may be loaded up with androgens, the male hormones. Those excess androgens could in turn contribute to fertility problems.

The researchers suggest that such a reduction in fertility could explain why females do not evolve in a steadily more aggressive direction, the better to accrue resources, trounce competing females and even fend off males that would tyrannize them.

The study is among the largest and longest efforts to quantify the lifetime reproductive performance, the so-called fitness, of animals situated up and down the hierarchy of their social milieu.

It takes to task easy assumptions that the leaders in a given setting are destined for genetic ascendancy and immortality. The researchers used data from 25 years of observations, taking into account the maternal careers of 138 female baboons with 584 pregnancies.

The baboon study demonstrates strongly that dominance has its sword of Damocles side, Dr. Packer said that even if one ignored the completely infertile baboons, the high-status females still ended up with twice the miscarriage rate of those lower in the pecking order, regardless of the age of the females under consideration.

The high rankers do manage to recover from their setbacks quickly, aided by their

comparatively greater intake of food, but their susceptibility to spontaneous abortions indicates there could be an upper limit to having the upper hand.

The natural reining in of the ruling class is probably the saving grace of baboon society, which is not exactly a model of pastoral civility. Baboons are the most widespread African primate, and the olive baboons living in the relatively lush grasslands and woodlands of Gombe do quite well. As with many primates, the core of society is female, the mothers, daughters, aunts and nieces all staying together for life, in troops averaging from 11 to 17 adult females.

Males come and go, and compete viciously among themselves for access to the stable of females. While the males tussle among themselves, the females maintain a rigid and reasonably stable hierarchy.

Dr. Martha K. McClintock, a professor and chairwoman of biopsychology at the University of Chicago, who has studied the relationship between hormones and reproductive behavior in many mammals, warns against glib analogies between a dominant female baboon and a dominant female human. "Are we to compare a dominant baboon to a woman who is working as a trial lawyer or an executive?" she said. "Or would a more apt analogy be with a matriarch in a large, extended family — an Italian or a Chinese grandmother, say?"

Or Ivana Trump or Leona Helmsley, for that matter.

Nor is it clear that the most successful women are the most aggressive ones, she said. And while extreme stress has been shown to impede fertility, the causes of stress are many. Sometimes the most stressful thing one can do in life is nothing at all.

U.S.-French Prenatal Care Study

By Barry James
International Herald Tribune

PARIS — Why does France have a 20 percent lower infant mortality rate than the United States? A new report comparing maternal and child-care systems in the two countries credits legislation aimed at mothers and children in France and recommends that similar preventive measures be adopted in America.

French health care for mothers and infants is not necessarily better, the report finds. It is, however, universally available and on average, cheaper.

The report, "A Welcome for Every Child," resulted from cooperation between the French-American Foundation and the National Center for Education in Maternal and Child Care in Virginia, which sent a delegation of experts to France last year.

It said legislation for the protection of mothers and infants, adopted after World War II, created "excellent prospects for healthy growth and development," even in the poorest families.

The legislation "marked the critical passage of French child and family policy from 'charity for the poor' to 'protection for all,'" the report said.

Although France, in common with other developed countries, is concerned about rising health costs, the program, which is the only one of its kind in Europe, is not likely to suffer any reduction.

It represents only about 0.3 percent of French expenditure on health care and is estimated to save money overall by reducing the risk of preterm births, which often require expensive intensive care.

Only about 0.5 percent of live births in France are seriously premature, against 1.3 percent in the United States, and France has less than half the American number of preterm births as well as a much lower rate of cesarean deliveries.

The report said such figures reflect the fact that 96 percent of children in France are born to mothers who receive early prenatal care, against 76 percent in the United States.

The two countries have a similar proportion of working mothers and roughly comparable per capita income of \$22,200 for Americans and \$18,200 for the French. But health-care expenditure as a percentage of total income is 13.4 percent in the United States, against 9.1 percent in France. And the French spend \$1,650 a year per person on health care, against \$2,867 in the United States, where about one-sixth of the population is not covered by health insurance.

The American committee visited France before the defeat of President Bill Clinton's health-care bill. But the report says there is no reason that the United States should not adopt many aspects of the French program under existing health-care arrangements.

"America has at its disposal a wealth of resources in the talent and capability of its health-care professionals and institu-

tions," the report states. "These resources attract patients from around the world who avail themselves of our leading-edge technology and medical expertise."

"At the same time, nearly half of all American children under 3 years of age confront one or more major risks to health and well-being: over one-quarter between 19 and 35 months of age lack all recommended inoculations. Ironically, these services are often readily available, yet we frequently fail to deliver them efficiently and effectively."

A key to the French success is the *carte de santé*, an 80-page health document issued for every child at birth. The book sets out a series of preventive examinations and inoculations needed during infancy and childhood, and enables doctors to see at a glance whether the child is receiving correct medical care.

THE book contains a certificate that doctors must send to a local health agency after a certain number of examinations. If the certificate does not arrive, or if it identifies risk factors, the agency is responsible for making sure the mother and child receive the health, social and financial assistance they require.

The French system is not just a preventive medical plan, the American team found, but a series of interlocking health and social measures overseen by locally controlled health agencies. However, private physicians provide about 90 percent of preventive maternal and child health care.

Egg Cholesterol: A New Verdict?

By Jane E. Brody
New York Times Service

NEW YORK — In recent decades the egg, like Humpty Dumpty, has had a great fall. Since the mid-1940s, concern about cholesterol and heart disease has sent per capita consumption in the United States plummeting from more than 400 eggs a year to only 235 in 1992, according to the latest figures available.

But after a half-century of hard knocks, 1995 may be the year that the egg, unlike Humpty, gets put together again.

After three decades of dietary advice to keep daily cholesterol intake below 300 milligrams and to limit egg consumption to four yolks a week, some experts on diet and heart disease are considering a more individualized approach that would allow a large portion of the population to eat more eggs, as well as other foods, like shrimp, that are relatively high in cholesterol but low in fat.

Eggs are inexpensive, readily available, easy to chew and digest, simple to prepare, relatively low in calories, and rich in protein, iron and many other essential nutrients. Unfortunately, eggs are also rich in cholesterol. The yolk of one large egg (the whites are free of both fat and cholesterol) has 213 milligrams of cholesterol and 5 grams of fat; 2 of them are saturated fat, which can raise blood levels of cholesterol.

Cholesterol in the diet became a health issue after studies of thousands of people in a dozen countries showed a direct link

between the amount of cholesterol in the blood and the risk of developing and dying of coronary heart disease. However, subsequent research revealed two main influences on blood cholesterol: the amount of saturated fat in the diet and heredity.

Dietary cholesterol is only weakly associated with coronary risk. For the average American, eating an additional 200 milligrams of cholesterol a day (about the amount in one egg) raises blood cholesterol about 3 milligrams, which in turn raises the risk of coronary disease by 6 percent.

But people are not averages. In most people, cholesterol production in the liver is reduced in direct proportion to the amount consumed. In addition, excretion of cholesterol through the production of bile acids often rises as more cholesterol is eaten. And when a lot of cholesterol is consumed at once, absorption through the digestive tract commonly drops.

RESEARCHERS at Bowman Gray School of Medicine in Winston-Salem, North Carolina, recently identified a common genetic mutation that makes people resistant to dietary cholesterol, allowing them to eat 1,000 milligrams a day without raising their blood levels.

"We're now at a point where we can be a little more targeted in making dietary recommendations," said Dr. Wayne Calaway, a specialist in metabolism and nutrition at George Washington University in Washington. "Those with a family history of early heart disease or high cho-

lesterol are the ones who most need preventive dietary advice."

Dr. Neil J. Stone of Northwestern University School of Medicine in Chicago, who heads the American Heart Association's nutrition committee, generally endorses the association's dietary advice to all Americans to adopt the so-called Step 1 diet, which consists of no more than 30 percent of calories from fat and 10 percent from saturated fat, 300 milligrams of cholesterol a day and four egg yolks a week.

He points out that since the 1960s, such advice has helped to reduce the average American's blood cholesterol "from the 240s to about 213, saturated fat intake from 17 or 18 percent of calories to 13 percent and total calories from fat from 42 percent to 36 percent."

As for people with a family history of heart disease or high cholesterol, he said, "if the cards are stacked against you healthwise, it makes sense to adopt the Step 1 diet."

For people with several major risk factors and those who already have heart disease, the recommended diet consists of less than 30 percent total fat, less than 7 percent saturated fat and no more than 200 milligrams of cholesterol a day.

Ideally, a decision about one's diet would be based on individual tests of susceptibility to dietary cholesterol. This would mean, for example, taking blood cholesterol measurements before and about 10 weeks after an increase in egg consumption to determine if a person is sensitive to dietary cholesterol.

IN BRIEF

Hubble Telescope Detects Collision of 2 Galaxies

BALTIMORE (APF) — The Hubble space telescope has photographed a rare and spectacular head-on collision between two galaxies that offers new insight into the birth of star systems.

A picture taken with a Hubble camera on Oct. 16 "provides a new opportunity to study how extremely massive stars are born in large fragmented gas clouds," the National Aeronautics and Space Administration said. The image shows the Cartwheel Galaxy surrounded by a ringlike feature 500 million light-years away in the constellation Sculptor. The "ring world" was caused when a smaller intruder galaxy careered through Cartwheel's core, sending a ripple of energy into space, plowing gas and dust in front of it.

Evidence on HIV Replication May Help Drug Development

LONDON (Reuters) — HIV, the virus that causes AIDS, duplicates itself more rapidly than had been thought and this could speed up development of drugs to treat the disease, scientists said Wednesday.

"We had suspected previously that HIV

replicated rapidly but we had no idea the degree to which it actually replicated," Dr. Michael S. Saag, one of the University of Alabama scientists involved in the study, said.

Dr. Saag said the findings would have an important impact on treatment of HIV and AIDS and could affect research into the disease because it crystallizes understanding of what the virus is doing.

Supercomputers Bring Supernovas Into Focus

TUCSON, Arizona (Combined dispatches) — Aided by supercomputer calculations, astronomers are finally solving the puzzle of what causes supernovas, powerful exploding stars that create the elements the make life possible.

New supercomputers, capable of running millions of calculations a second, have enabled astronomers to create mathematical models that explain the microsecond-long changes that occur as a star 10 times the size of the sun goes supernova. In presentations to the national meeting of the American Astronomical Association, teams of astronomers showed computer-driven graphics of processes happening inside a supernova.

Other scientists at the meeting reported the discovery of a new class of astronomical bodies, miniature spiral galaxies, whose dimness had made earlier detection impossible, and another team said it had found 50 previously unknown galaxies in what was thought to be a cosmic emptiness 500 times the size of the Milky Way. (AP, Reuters)

Inexpensive Test Patented For Detection of Oral Cancer

WASHINGTON (NYT) — A doctor and two chemists have patented what they say is a simple and inexpensive test to detect oral cancer, which strikes primarily tobacco users and heavy drinkers and is the eighth most common type of cancer in the United States.

Because there is no commercially available test for oral cancer, it is usually detected through a physical examination. However, by the time the cancer is visible, it often already has spread to other parts of the body.

Dr. Pier Cipriani, a dentist in Washington Crossing, Pennsylvania, and two colleagues developed a test that makes use of toluidine blue, a dye that is used to color textiles but that has been put to medical use.

Clue to a New Type of Hepatitis

By Lawrence K. Altman
New York Times Service

BETHESDA, Maryland — A U.S. government scientist reports that his team has found preliminary evidence of a new virus that is believed to cause a new type of hepatitis.

The newly reported virus can apparently be transmitted through blood transfusions, said the scientist, Dr. Harvey J. Alter of the National Institutes of Health in Bethesda. He disclosed the finding at a scientific meeting on blood transfusions.

It would be the second new type of hepatitis virus reported in recent months. Late last year, a team of researchers in France reported finding a virus that they say causes a sixth type of hepatitis. But the finding of a hepatitis F virus, as they called it, has not been confirmed. Dr. Alter said he was "a bit skeptical about the finding because it came out of the blue."

Particles of what may be a new virus were detected from one of the unex-

plained cases of transfusion hepatitis in the institutes' collection, Dr. Alter said. His team is trying to identify the virus further by using the latest molecular biology techniques on blood and other tissues from other cases.

"It is not a proven virus, and the finding could fall through," Dr. Alter said. His team is not ready to publish data on the virus, he said. But he said he disclosed the finding reluctantly because he was addressing a federally appointed panel that is to hear all information concerning infectious agents that can be transmitted through blood transfusions. The committee was to recommend Wednesday whether certain tests should be added or dropped in screening blood for transfusions.

"I wanted the committee to know that there may be something new on the horizon," Dr. Alter said.

Preliminary evidence suggests that the possible new virus is not a big public health threat, but that is not known for sure because no test has been developed

yet, Dr. Alter said. His team is working with Genetech of Redwood City, California, to develop a screening test. Dr. Alter said his team's virus would be called either hepatitis G virus or hepatitis F virus, depending on whether there was confirmation of the viruses in France and in Bethesda.

HEPATITIS means inflammation of the liver and many chemicals and infectious agents can cause it. The various viruses at present known to cause the disease are called hepatitis A, B, C, D and E. American blood is tested routinely for B and C, the types of virus that were most commonly transmitted through blood.

The latest improved version of the test for hepatitis C has virtually eliminated the virus from transfusions, Dr. Alter reported.

"So it would appear that any new virus has got to account for a very tiny piece of the picture" in the United States, he said. But such viruses could be more common elsewhere.

BOOKS

FELICIA'S JOURNEY

By William Trevor. 213 pages.
\$21.95. Viking.
Reviewed by
Michiko Kakutani

THE title of William Trevor's latest novel, "Felicia's Journey," refers — ironically, it turns out — to the picaresque journey undertaken by so many traditional literary heroes, the allegory-laden journey that takes them from innocence to wisdom, from childhood to maturity.

Though Felicia does achieve a kind of enlightenment, her journey, as the reader grudgingly learns, is neither predictable nor particularly felicitous.

In this novel, his 13th, Trevor draws upon years of literary experience, using by now patented narrative methods to pull together themes that have preoccupied him throughout his long, distinguished career. Like "Fools of Fortune" and "The Silence in the Garden," "Felicia's Journey" grounds bizarre, gothic developments in meticulously observed scenes of ordinary life.

WHAT THEY'RE READING

• Farid Chopel, a popular comic in France, is reading "Le Prophète" by Khalil Gibran.

"He covers love, liberty, pain, passion and death. It's just the most Zen book I've read."

(John Brunton, IHT)



Like the stories "Family Sins" and "In Love With Ariadne," it pivots on a central event that defines the rest of his characters' lives. And like many of the tales in "The News From Ireland," it focuses on the gross disparity between the depressing reality of people's lives and the high-flown romance of their dreams.

In the case of "Felicia's Journey," that disparity between fantasy and reality propels Trevor's two main characters together on a collision course ending in violence and death.

And by repeatedly cutting

back and forth between these people's actions and their dreams, their present circumstances and their remembered pasts, Trevor is able to turn the stuff of lurid, tabloid headlines into a sad and oddly moving tale of lost opportunities and misplaced hopes.

Felicia, we learn through flashbacks, was the only daughter of a poor Irish gardener. Her mother died many years ago; her brothers work long days in the quarries. Since losing her low-paying job at a meat-packing plant, Felicia has led a circumscribed life, taking care of

her ailing great-grandmother and cooking and cleaning for the family. She dreams of love, romance and adventure, though her neighbors observe she has "the face for a nun."

One day, after serving as a bridesmaid in a family wedding, Felicia makes the acquaintance of a handsome young man named Johnny Lyng, who is home from England to visit his ailing mother. Johnny asks Felicia out for a drink, and she promptly falls in love.

It's not long before she also discovers she's pregnant, though by then Johnny has returned to England without leaving a forwarding address. Felicia believes he works in a lawn mower factory somewhere in the English Midlands; her father insists that Johnny has betrayed the Irish people by secretly signing up with the British Army.

Denounced by her family for becoming pregnant — and by a bloody traitor at that! — Felicia sets off to find her beloved Johnny. She steals some money from her great-grandmother, hops a boat to England and

begins her search for Johnny in a grimy industrial town near Birmingham.

There, she fails to find any promising leads; instead, she makes the acquaintance of one Joseph Ambrose Hilditch, a fat, solitary catering manager, whose tepid demeanor conceals some dark and terrible secrets.

Hilditch immediately sees the painfully naive Felicia as another addition to his "Memory Lane" collection of girls — girls he has rescued from loneliness, poverty or trouble, then grotesquely disposed of once they have regained their footing and threatened to go on with their lives. He casually accosts Felicia, tells her a tall tale about his invalid wife and draws her into his spider web.

But while Felicia is initially responsive to Hilditch's offers of assistance, she also proves to be a strangely elusive quarry. Indeed, their meeting ends up permanently altering the arc of Hilditch's lonely life.

Writing with easy omniscience that gives him complete access to his characters' thoughts, yearnings and self-deceptions, Trevor builds suspense that depends less on plot mechanics than on the ebb and flow of his people's emotions. With "Felicia's Journey," he has delivered a perfectly executed and chilling little tale about the loss of innocence and the high price of blasted dreams.

Michiko Kakutani is on the staff of The New York Times.

Arts & Antiques

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BRIDGE

By Alan Truscott

IN the diagramed deal from a rubber bridge game, North and South, Michael Prahn and David Berah bid to the normal contract, and West had good reason to double. South gambled with a redouble on the strength of his aces.

"David, one of us will be sorry," announced Allen Kahn, sitting West, as he placed the

heart king on the table, "and I don't think it will be me."

Berah, who had hoped for slightly better trumps in the dummy, took the ace, and was not surprised when East threw a club. He led to the club ace, ruffed a club, and cashed three diamond winners. Now, he felt fairly sure that West had begun with 3-5-3-2 distribution. He therefore cashed the ace and king of spades and ruffed a spade to reach this ending:

NORTH			
♠ K 10 9 5 3			
♥ A 8 3			
♦ K Q 4 2			
♣ 6			
WEST			
♠ 8 4			
♥ K Q J 10 5			
♦ J 9 5			
♣ K 8			
EAST			
♠ J 7 6			
♥ 10 7 6 3			
♦ J 10 7 5 4 2			
SOUTH (D)			
♠ A 2			
♥ 9 8 7 4 2			
♦ A 8			
♣ A Q 9 3			

Both sides were vulnerable. The bidding:

South	West	North	East
1♣	Pass	1♠	Pass
2♠	Pass	4♥	Pass
Pass	Dbl.	Pass	Pass
Redbl.	Pass	Pass	Pass

West led the heart king.

The club queen was led, and Kahn realized that due to the heart six in dummy, he could not prevent Berah from scoring his 10th trick.

Wednesday's 4 p.m.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

[illegible]

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect trades elsewhere. Via The Associated Press

12 Month		Div	Yld	PE	100	52	High Low Last Chg		
High	Low						Stock	High	Low
914	244	Therm				5	74	79	+
915	244	Therm				5	74	79	+
916	244	Therm	1.50	9	24	33	8	8	+
917	244	Therm				5	74	79	+
918	244	Therm				5	74	79	+
919	244	Therm				5	74	79	+
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Herald Tribune

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Source: * VIVA Survey, '92 / '93. * Reader Survey '94.



STATUES OF THE WORLD, UNITE! — A statue of Lenin being moved Wednesday to Berlin's Zeughaus museum, where it will be on display with other statues and paintings of leaders of the Communist era from Jan. 25.

'Tit-for-Tat' Tactics Mark Polish Politics

By Jane Perlez
New York Times Service

WARSAW — President Lech Walesa surprised few Poles when he announced he would refuse to pay new income tax rates and encouraged voters to follow his example.

There was not much astonishment either when, in retaliation for the tax ploy, Prime Minister Waldemar Pawlak pulled out a name from the Communist past for the post of defense minister that he knew Mr. Walesa would reject.

Everybody understands that these are all maneuvers in what one newspaper here called the "tit-for-tat, you-trick-me-I-trick-you" game of politics that have come to dominate government.

The daily antics between the president and the prime minister are all about the presidential campaign that looms in Poland this year. The stakes are especially high because a victory by the former Communists would cement their hold on the entire political landscape and give them control of both the Parliament and the presidency.

Mr. Walesa, once the anti-Communist hero of the Poles but whose popularity has plummeted, is determined to run again despite favorable ratings that only recently crept into the teens.

There is considerable jockeying among

potential challengers, who include Alexander Kwasniewski, the leader of the former Communist party that is the senior partner in the governing coalition with the Peasants Party headed by Mr. Pawlak.

The two themes that the two sides have chosen to do battle on are cabinet ministers and taxes.

Two portfolios vital to Poland's international image are in limbo. The defense post

The daily antics between the president and the prime minister are all about the presidential campaign that looms this year.

is empty, even though the government says it is trying to meet Western military standards to join the North Atlantic Treaty Organization. Mr. Pawlak's nominee, Lougin Pastusiak, was an outspoken ideologue of the Communist Party, whom Mr. Walesa scornfully denounced as having been a well-known opponent of NATO.

The minister of foreign affairs, Andrzej Olechowski, popular in Western capitals, has taken a leave. An ally of Mr. Walesa, but also a potential candidate in the presi-

dential sweepstakes, Mr. Olechowski is being pushed out by Mr. Pawlak, and has offered his resignation. Mr. Walesa, of course, refuses to accept it.

Mr. Walesa chose the tax issue to score points with average wage earners. In a drama that started last month, Mr. Walesa made it clear he would veto the upcoming budget if it included the tax increase that was in force in 1994 and which the government wanted to continue this year.

Then the government, not wanting a debate in Parliament on taxes, pulled the tax bill and announced that it would raise income taxes by proclamation. Mr. Walesa and his lawyers pronounced this illegal and have called on a constitutional tribunal to rule on the matter.

The tax rates of 21 percent, 33 percent and 45 percent, depending on income, that were in place in 1994 would replace old rates of 20 percent, 30 percent and 40 percent under the government's proposal.

In Mr. Walesa's case, this would mean, according to calculations by economists here, that under the government's plan he would pay \$590 a month taxes on his \$1,560 monthly salary instead of \$530. The average Polish monthly salary in December was \$300.

Mr. Walesa said he would not pay the new rate because as far as he was concerned the government's tax rates were not in force.

Indépendant de

Le M

Presidential Shoo-In? Polls Warn Balladur

Reuters

PARIS — Prime Minister Edouard Balladur has become the runaway favorite to win the 1995 presidential election, but pollsters caution that voters are in a fickle mood and that he might still be tripped.

While no candidate in a recent French presidential election has built up such a lead and lost, surveys less than four months ahead of the vote have found that about half of voters are undecided and few wildly inspired by Mr. Balladur's center-right policies.

"He has an exceptional lead, but the game has still to be played," said Jerome Sainte-Marie, director of political studies at the Louis Harris institute.

He said voters chose Mr. Balladur, 65, more out of a lack of alternatives than enthusiasm. A recent poll found that 68 percent of voters were dissatisfied with the way France is governed, with 27 percent satisfied.

A poll on Tuesday, in the weekly L'Express, showed Mr. Balladur would crush any opponent in a runoff by a margin of about 64 percent to 36 percent. He is expected to formally announce his candidacy next week.

But Mr. Balladur could be vulnerable if economic recovery falters, if unemployment rises despite his predictions of a decline or if corruption scandals that have forced the resignation of three cabinet ministers since July blow up again.

"If this was a U.S.-style election with a single round, there would be almost no doubt Balladur would win," said Pierre Giacometti, director of political studies at the BVA polling institute.

The election to succeed President François Mitterrand is split between an April 23 round open to all contenders and a runoff on May 7 between the top two candidates.

Mr. Giacometti said Mr. Balladur, often portrayed by critics as reserved and stuffy, might suffer in a face-to-face runoff with a more aggressive candidate such as his party colleague, Mayor Jacques Chirac of Paris.

Another sign of Mr. Balladur's possible vulnerability is that he regained the mantle of favorite only after the outgoing president of the European Commission, Jacques Delors, a Socialist, shocked the left by deciding not to run when he was leading the pack in December.

"A month ago, Balladur was in very big difficulties," said Carine Marce, research director at the Sofres polling institute.

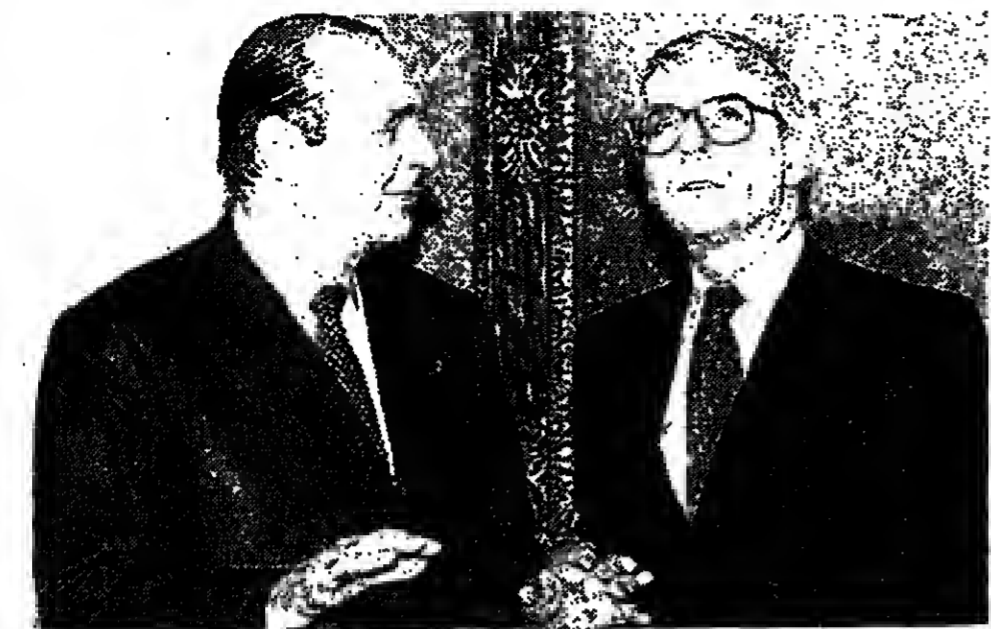
The difference now, however, is that the left has no reserve apparently able to fill Mr. Delors's shoes. Pollsters reckon Mr. Chirac may well be the main threat to Mr. Balladur.

Mr. Balladur was boosted over Christmas by his firm handling of the hijacking of an Air France airliner by Muslim fundamentalists. French commandos stormed the jet, killed all four hijackers and freed 169 passengers and crew.

In 1981, Mr. Mitterrand came from behind to defeat then-President Valéry Giscard d'Estaing. But in a poll in October 1980, 34 percent of voters had favored Mr. Giscard d'Estaing to win the first round

against 19 percent for Mr. Mitterrand.

The last elections in France, for the European Parliament in June 1994, showed the rootlessness of much of the electorate. The slate headed by the maverick rightist Philippe de Villiers won 12 percent even though polls a month or so earlier had credited him with only 3 percent.



Mayor Jacques Chirac, left, meeting Wednesday in London with Prime Minister John Major. Mr. Chirac may be the main threat to Edouard Balladur in this spring's election.

Left's Sole Hopeful Draws Fire

Reuters

PARIS — The French left fell deeper into disarray Wednesday over a choice of a presidential candidate as the leader of the Radical Party, Bernard Tapie, threatened to torpedo the candidacy of a former Socialist Party leader.

Following a meeting of Radical and Socialist party leaders to explore the possibility of agreeing on a single candidate for the April-May presidential election, Mr. Tapie said that leaders of the left believed Lionel Jospin could not win and should be passed over.

"We have to find a unity candidate able to win," he said, telling reporters, "Perhaps you believe that Jospin can achieve this. We don't believe so."

"So we are looking for another eventual solution," he added, "and we are convinced we will succeed."

Mr. Jospin announced last week that he was willing to run for president if the party chose him. He was the first Socialist to volunteer since the outgoing European Commission president, Jacques Delors, decided last month against running even though he led in opinion polls.

Mr. Jospin quickly dismissed Mr. Tapie's statement, saying, "I don't think the Radicals

can impose a veto on the Socialist candidate."

But a Socialist Party spokesman, Jean Glavany, later appeared to back up Mr. Tapie's remarks, saying in a radio interview, "There are today several potential candidates in the Socialist Party."

The eventual candidate, he said, "must be able to unite the Socialist Party."

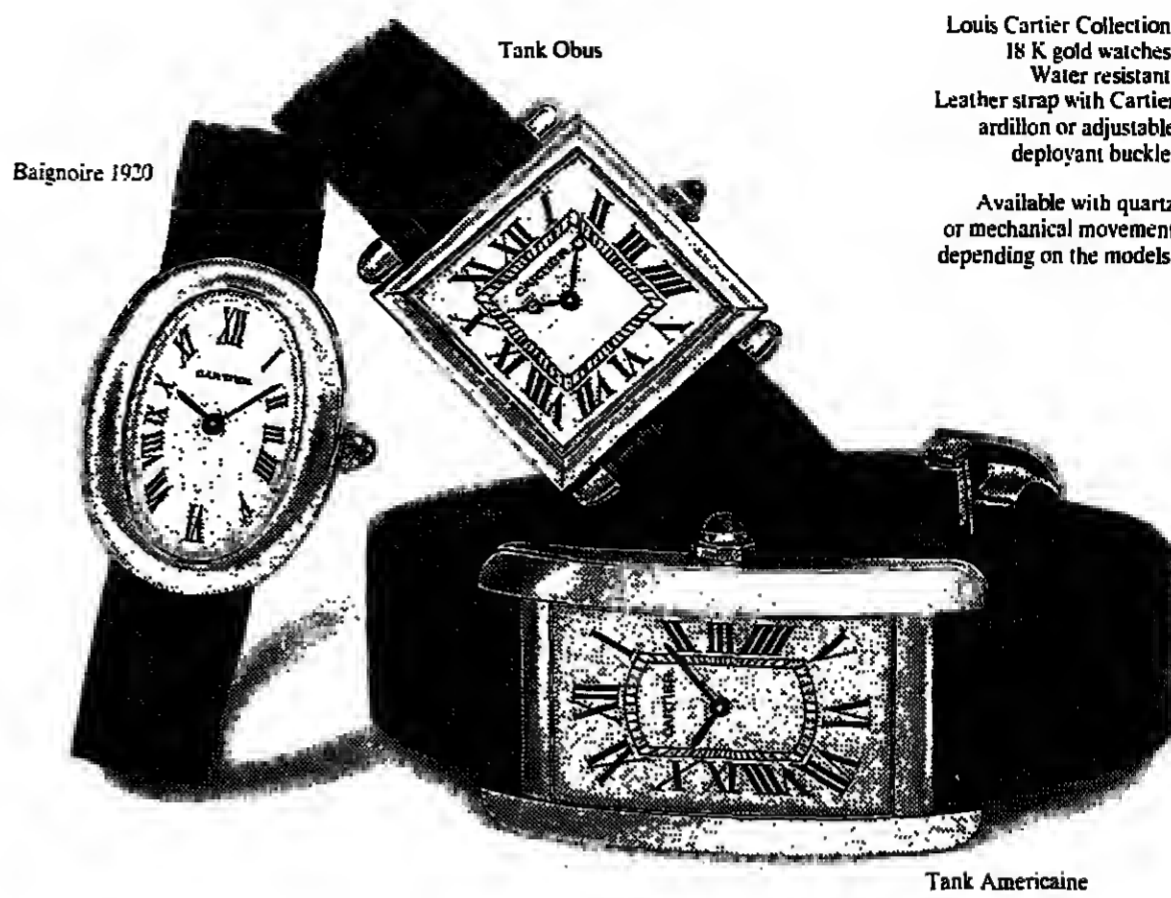
Other potential candidates for the left, leaders said, are former Culture Minister Jack Lang, Health Minister Bernard Kouchner, former Justice Minister Robert Badinter and former Labor Minister Martine Aubry.

The Tuesday evening meeting between Socialist leaders and those of the splinter Radical Party was itself significant in that it was their first official get-together in two years.

According to a Radical Party official who attended the meeting, the Socialist Party leader, Henri Emmanuelli, agreed to search for a unity candidate who did not necessarily belong either to the Radicals or the Socialists.

The Socialist Party fared badly in the European Parliament elections in June, when the Radicals captured 12 percent of the vote, approaching the Socialists' 14.4 percent.

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Monde

Jan. 11, 1995

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MARKET DIARY

Peso's Declines Hit Earnings Outlook

Compiled by The Staff From Dispatches
NEW YORK — Stocks closed slightly lower Wednesday after a late surge in Apple Computer offset concern that a three-week slide in the Mexican peso will damage some companies' 1995 earnings.

Apple jumped 1/16, to 46 1/4, on reports that International

Declining issues outnumbered advances by 11 to 10 on the New York Stock Exchange, where volume totaled 346.3 million shares.

U.S. banking issues fell sharply on worries that the banks could suffer steep losses in Latin America. Citicorp lost 1/4, to 40 1/4.

Despite concern about the Mexican crisis, the American shares of Mexican stocks were recovering.

Teléfonos de México's American depositary receipts maintained their leadership position on the NYSE and closed 1 1/2 higher, at 35 1/4.

Concern about the effect of Mexico on U.S. earnings was heightened when Federal-Mogul, an auto parts maker, said it would not meet analysts' earnings forecast, because of the drop in the Mexican peso.

Federal-Mogul dropped 5/8, to 17 1/2.

Among pharmaceuticals, Warner-Lambert dropped 1/4, to 74 1/4. SmithKline Beecham dropped 1/4, to 33 1/4. Pfizer eased 1/4, to 75 1/4. Eli Lilly dipped 1/4, to 63 1/4.

The Dow Jones industrial average declined 4.71 points, to 3,862.03.

(Bloomberg, AP)

DOLLAR: Canadian Pessimism

Continued from Page 11

Canada has contributed about \$1 billion to join the United States and others in an \$18-billion rescue package for Mexico.

U.S. Dollar Recovers

The dollar rose against the Deutsche mark on Wednesday after a two-day slump as turmoil in European markets abated, easing demand for the German currency.

The dollar closed at 1.5360 DM, up from 1.5338 DM on Tuesday, although it slipped to 100.045 yen from 100.110 yen.

Late rebounds in the Spanish peseta and the Italian lira helped the dollar rise from its eight-week low against the mark on Tuesday. The dollar had slumped against the mark Tuesday as investors sold peseta and lire for dollars and then sold dollars for marks.

In London on Wednesday, the mark touched a record high of 1,061.60 lire before edging back to close at 1,057.30, down from 1,057.70 on Tuesday. Against the peseta, the mark touched a record high of 87.90 before closing at 86.90 pesetas, down from 87.08 Tuesday.

Investors may also be departing because of the apparent unwillingness of Canadians to sacrifice social programs to help reduce the deficit.

The situation in Mexico also has reflected on Canada. The country's economic problems, springing from different roots, but European and Japanese investors now examine their portfolios probably are encouraged by the Mexican situation to review all of their North American investments.

Jan 11

The Dow

Daily closings of the Dow Jones industrial average

4000

3800

3600

3400

3200

3000

2800

2600

2400

2200

2000

1800

1600

1400

1200

1000

800

600

400

200

0

J A S O N D J

1994 1995

111

112

113

114

115

116

117

118

119

120

121

122

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Jan 11

Dow Jones Averages

Open High Low Last Chg.

Indus. 3862.03 3862.03 3862.03 -4.71

Transp. 100.00 100.00 100.00 -0.01

Utilities 100.00 100.00 100.00 -0.01

Com. 100.00 100.00 100.00 -0.01

NYSE Most Active

Vol. High Low Last Chg.

Apple 100.00 100.00 100.00 1/16

IBM 100.00 100.00 100.00 0.00

Microsoft 100.00 100.00 100.00 0.00

Oracle 100.00 100.00 100.00 0.00

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Jan 11

EUROPEAN FUTURES

Open High Low Last Chg.

ALUMINUM 100.00 100.00 100.00 0.00

COPPER 100.00 100.00 100.00 0.00

CRUDE OIL 100.00 100.00 100.00 0.00

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EUROPE

France Says 5 Firms Want Stakes in Bull

PARIS — Five companies have shown an interest in taking stakes of at least 10 percent of Group Bull, José Rossi, France's industry minister said on Wednesday.

The government, which owns most of Bull, is in the process of selling stakes to companies and Bull employees, rather than through a public offering.

"Five industrial groups will enter, through their offers, in the category of significant shareholders who plan to take a stake of at least 10 percent in the company," Mr. Rossi said.

Overall, 10 companies had registered interest in Bull, he said, but five wanted a stake smaller than 10 percent and therefore would not be considered by the government.

Mr. Rossi did not disclose the identity of the bidders.

Only NEC Corp. of Japan has announced that it wants to raise its current 4 percent stake in Bull to more than 10 percent.

International Business Machines Corp., which now has a 1.8 percent stake, has not revealed its intentions, but is not expected to increase its holding.

AT&T Corp. had considered bidding for a stake in Bull, but dropped its plans when it realized it would not be able to use the stake to gain greater access to the European telecommunications market.

On Dec. 29, Bull shareholders approved a change in the company's capital which increased the government's stake in Bull to 79.6 percent from 75.8 percent in return for 2.6 billion francs (\$489 million).

At the same time, France Telecom, which has a 14.3 percent stake, gave Bull 561 million francs in fresh capital. France Telecom is also state-owned.

Jean-Marie Descarpentries, chairman of Bull, said last month he expected the company to post a 1994 operating profit of between 100 million and 300 million francs. He also said he expected a return to net profitability in 1995.

The privatization of Bull is expected to be completed later this year. After pumping \$2.1 billion into the company, the government promised the European Commission that Bull would be privatized.

Nuclear Plant in China

Mr. Rossi said he would visit Beijing this weekend to sign a contract for the construction of a nuclear power plant in southern China, AFP-Exel News reported from Paris.

Mr. Rossi said the main contract would be worth 10 billion to 11 billion francs (\$1.9 billion to \$2.1 billion), and a separate equipment deal was valued at about 2 billion francs. The project involves Framatome SA, GEC Alsthom, Alcatel-Alsthom and Electricité de France.

Retailer Fights for Time Karstadt Wants the Right to Stay Open

FRANKFURT — The battle lines for extending store hours in Germany have been drawn by Karstadt AG, the country's largest retailer, in a war analysts say will pit Karstadt against unions and many other retailers.

At present, under laws dating from the last century, German stores are closed on Sundays and public holidays and must close at 6:30 P.M. on most weekdays and at 2:00 P.M. on three out of four Saturdays each month.

Walter Deuss, chairman of Karstadt, said he believed an industry consensus could be built by 1995 to liberalize hours.

But his proposal has met criticism from the main retail-industry union and from some of Germany's major retailers.

"We see no serious initiative in Bonn to change closing hours," a spokesman for the main German retail union in Düsseldorf said. "We think the industry is well-served and is doing well with the current rules."

In an interview with the Süddeutsche Zeitung, Mr. Deuss proposed that weekday store hours be extended to 8:00 P.M. and that Saturday hours also be extended.

The push for longer store hours comes after German retailers suffered one of their worst years in history, which included the first drop in sales in about 30 years.

The government of Chancellor Helmut Kohl said last year it wanted to review the shop-hour laws, but decided to put off any action until after the October elections.

Economics Minister Günter Rexrodt, who has signaled support for liberalizing hours, plans to meet in two weeks with industry officials, a ministry spokesman said.

The Free Democratic Party, a junior partner in the government coalition, has long pushed for an extension of store hours. Otto Graf Lambsdorff, a former economics minister who is now the party's economic-affairs

spokesman, supported Mr. Deuss's proposal. Mr. Lambsdorff, in a radio interview, said the hours could be extended at the latest by 1996. But he also said stores should decide when to open.

Consumer-advocacy groups have long pushed for relaxation of the laws, arguing that

Consumer-advocacy groups argue that longer store hours are needed to serve the growing number of women and single parents in the work force.

Germany's retailers must transform themselves into more efficient consumer-driven companies.

They also argue that the growing number of women and single parents in the work force require extending store hours.

But the German Federation of Retailers, of which Mr. Deuss is a vice president, said that between 85 percent and 90 percent of its membership wanted current store hours to be left unchanged.

Many retailers also argue that the longer hours would hurt competition in an industry already criticized for being concentrated in the hands of a small number of large players.

Further, some retailers argue that longer hours would raise operating costs without encouraging people to spend more, while unions claim workers would have to work anti-social hours.

Harry Christophoulos, an analyst at Barclays de Zoete Wedd, said that if changes come, "it will be a slow, step-by-step process."

Italiano Set to Raise Bank Bid

Compiled by Our Staff From Dispatches

MILAN — Credito Italiano SpA's board cleared the way for the bank to raise its bid for Credito Romagnolo SpA, Credito Italiano said Wednesday.

A spokesman said a new bid was likely to be announced at the end of the month. The bank, which has been trying to acquire Credito Romagnolo since October, will have to outbid Cassa di Risparmio delle Province Lombarde, known as Cariplo, which has a 3.291-trillion-lire (\$2 billion) offer on the table.

Credito Italiano has bid 2.8 trillion lire, or 20,000 lire a share, for 65 percent of the Bologna-based bank, and a spokesman would not say how much that bid would be raised.

Cariplo in mid-December said it and Istituto Mobiliare Italiano SpA and Cassa di Risparmio di Bologna planned to offer 21,500 lire a share for 70 percent of Romagnolo.

Under Italian takeover law, any competing offer from Credito Italiano must be announced before Jan. 31 and must be 5 percent over Cariplo's bid. But the law does not make it clear if the price per share must be 5 percent higher or the total amount of the takeover must be 5 percent higher.

If it is the latter, Credito Italiano could leave its bid at 20,000 lire per share but bid for all of Romagnolo's.

Because of the higher stakes, Credito Italiano is considering adding allies to its efforts. Cariplo's Banca SpA, a smaller Bologna-based bank, has said it has discussed with Credito Italiano the possibility of a joint bid.

Separately, in a letter to shareholders to appear in the press Thursday, Credito Italiano reiterated that it favored Cariplo's offer as being better for the company and its shareholders.

(Bloomberg, Reuters, AFP)

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
2200	3300	2200		
2100	3100	2100		
2000	2900	2000		
1900	2700	1900		
1800	2500	1800		
1700	2300	1700		
1600	2100	1600		
1500	1900	1500		
1400	1700	1400		
1300	1500	1300		
1200	1300	1200		
1100	1100	1100		
1000	900	1000		
900	700	900		
800	500	800		
700	300	700		
600	100	600		
500		500		
400		400		
300		300		
200		200		
100		100		
0		0		
Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam AEX		411.73	412.86	-0.30
Brussels Stock Index		7,179.32	7,185.81	-0.09
Frankfurt DAX		2,061.05	2,051.10	+0.49
Frankfurt FAZ		771.19	766.84	+0.57
Helsinki HEX		1,910.13	1,940.27	-1.55
London Financial Times 30		2,352.40	2,354.10	-0.07
London FTSE 100		3,049.40	3,060.40	-0.36
Madrid General Index		276.29	274.75	+0.56
Milan MIBTEL		10032	9,946.00	+0.86
Paris CAC 40		1,849.13	1,859.19	-0.54
Stockholm Affarsvaeriden		1,918.40	1,903.37	+0.79
Vienna ATX Index		1,038.25	1,035.38	+0.28
Zurich SBS		917.39	918.29	-0.10

Very briefly:

- Volkswagen AG's Spanish unit SEAT said it expected to post a loss of about 50 billion pesetas (\$375 million) in 1994, narrowed from the loss of 151 billion in 1993.
- Germany's Federal Cartel Office said it expected to extend by seven days the deadline for a decision on Hoechst AG's bid to raise its stake in Philipp Holzmann AG to 49 percent from 20 percent.
- RJR Nabisco Holdings Corp. said it has agreed to acquire the Finnish tobacco producer Oy PC Retting Ab.
- KLM Royal Dutch Airlines said it would not increase the book value of its stake in its U.S. affiliate Northwest Airlines this year in spite of a successful refinancing of Northwest's debt. KLM has pumped \$400 million into Northwest.
- Guinness PLC said it has reorganized its United Distillers unit to focus on high-growth areas in Latin America and the Far East.
- Credit Lyonnais Bank Nederland NV said it expected to cut 400 jobs in 1995 and the beginning of 1996.
- United Biscuits Holdings PLC said it would cut 980 jobs due to closure of a British factory.

Reuters, AFP, Bloomberg, AP

France Takes to the Highway to Protect Its Culture

PARIS — France has decided to take its fight to protect European culture to the information highway, according to a position paper prepared for an upcoming meeting of leaders from the Group of Seven industrial countries.

The paper, made available by officials from the French Ministry of Culture, says France will argue at the G-7 meeting next month that creation of a high-tech information highway must not be allowed to undermine cultural diversity.

"Putting the information society in place must not lead to either content becoming uniform or cultures being lev-

eled out," the paper says.

The G-7 meeting, to be held in Brussels on Feb. 25-26, has been called to discuss ways to build the so-called information highway, epitomized by global computer networks, electronic libraries and new audiovisual technologies.

Among those due to attend is the U.S. vice president Al Gore, an early advocate of exploiting the new technologies on a global level. The rest of the G7 comprises Britain, Canada, France, Germany, Italy, and Japan.

The French paper makes clear that Paris wants to encourage a jobs-creating high-technology industry in Europe, but

not at the price of seeing European — and particularly French — culture swamped by a tidal wave of foreign culture.

Each country should be able to set a "framework for supporting local cultural production" and to impose "specific requirements to preserve cultural and linguistic diversity," it said.

Paris has long been concerned that its culture is under threat from an onslaught of Hollywood film and television programming and by the related encroachment of English.

Most recently, France said it would use its six-month presidency of the Eu-

ropean Union, which began on Jan. 1, to "reinforce European cultural identity."

PolyGram Pushes for Incentives

PolyGram NV told the European Commission that financial incentives to encourage large investments in films are the key to developing a healthy and competitive audiovisual industry in Europe, AFP-Exel News reported from Amsterdam.

In a memorandum to the commission, PolyGram proposed that an independent international financial institution be mandated by member states to provide long-term guarantees.

NYSE

Wednesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	12 Month Low	Div	Yld	PE	52 Wk High	52 Wk Low	Open	Close	Change
100	80	2.00	4.0%	15.0	100	80	95.00	95.00	0.00
120	100	2.50	5.0%	12.0	120	100	110.00	110.00	0.00
140	120	3.00	6.0%	10.0	140	120	125.00	125.00	0.00
160	140	3.50	7.0%	8.0	160	140	140.00	140.00	0.00
180	160	4.00	8.0%	6.0	180	160	155.00	155.00	0.00
200	180	4.50	9.0%	5.0	200	180	170.00	170.00	0.00
220	200	5.00	10.0%	4.0	220	200	185.00	185.00	0.00
240	220	5.50	11.0%	3.0	240	220	200.00	200.00	0.00
260	240	6.00	12.0%	2.0	260	240	215.00	215.00	0.00
280	260	6.50	13.0%	1.0	280	260	230.00	230.00	0.00
300	280	7.00	14.0%	0.0	300	280	245.00	245.00	0.00

12 Month High	12 Month Low	Div	Yld	PE	52 Wk High	52 Wk Low	Open	Close	Change
320	300	7.50	15.0%	0.0	320	300	260.00	260.00	0.00
340	320	8.00	16.0%	0.0	340	320	275.00	275.00	0.00
360	340	8.50	17.0%	0.0	360	340	290.00	290.00	0.00
380	360	9.00	18.0%	0.0	380	360	305.00	305.00	0.00
400	380	9.50	19.0%	0.0	400	380	320.00	320.00	0.00
420	400	10.00	20.0%	0.0	420	400	335.00	335.00	0.00
440	420	10.50	21.0%	0.0	440	420	350.00	350.00	0.00
460	440	11.00	22.0%	0.0	460	440	365.00	365.00	0.00
480	460	11.50	23.0%	0.0	480	460	380.00	380.00	0.00
500	480	12.00	24.0%	0.0	500	480	395.00	395.00	0.00

12 Month High	12 Month Low	Div	Yld	PE	52 Wk High	52 Wk Low	Open	Close	Change
520	500	12.50	25.0%	0.0	520	500	410.00	410.00	0.00
540	520	13.00	26.0%	0.0	540	520	425.00	425.00	0.00
560	540	13.50	27.0%	0.0	560	540	440.00	440.00	0.00
580	560	14.00	28.0%	0.0	580	560	455.00	455.00	0.00
600	580	14.50	29.0%	0.0	600	580	470.00	470.00	0.00
620	600	15.00	30.0%	0.0	620	600	485.00	485.00	0.00
640	620	15.50	31.0%	0.0	640	620	500.00	500.00	0.00
660	640	16.00	32.0%	0.0	660	640	515.00	515.00	0.00
680	660	16.50	33.0%	0.0	680	660	530.00	530.00	0.00
700	680	17.00	34.0%	0.0	700	680	545.00	545.00	0.00

SAATCHI: New Agency Founded

Continued from Page 11
will be winning the big clients that he needs.

"It would be quite brave of a Procter & Gamble or a Mars or a British Airways to come out and back Maurice in a start-up since he doesn't have any staff or infrastructure," said Tony Willis, an analyst with the brokerage Williams de Broe.

Analysts said, however, that if many or all of the seven senior Saatchi & Saatchi executives who have left the company now migrate to Maurice Saatchi's new shop, it could even end up hobbling his venture. With possibly a half dozen or more of the advertising world's brightest lights in one fledgling firm, it might be top-heavy and might quickly need to win major international accounts to survive, they said.

"These are people who have not carried their own bags in years," said Mr. Benady. "You are going to need a big support structure beneath them to sustain it all."

The kind of structure necessary to serve companies that want to simultaneously advertise in dozens of markets around the globe will likely take many months to build up, analysts said.

Until that network is in place and has proven itself, it is likely to be very difficult for advertising directors at major corporations to entrust their campaigns and their commercial future to the new group.

Other observers pointed out that as charismatic a figure as Maurice Saatchi remains, his reputation has been better days. Analysts noted that those who invested in Saatchi & Saatchi at its peak in the late 1980s have now lost 98 percent of their money as the agency has limped from one crisis to another in recent years, burdened by heavy debt and boardroom dissension.

By turning so aggressively against his former company, Mr. Saatchi may have sullied his reputation further, they added.

Damage to Saatchi & Saatchi may also be limited by the contracts the group has with the executives who have quit. The group's chief executive, Charles Scott, said that he intended to hold them to their contracts, which bar them for one year from joining another agency or creating their own as well as from signing on Saatchi & Saatchi clients.

LONRHO: Now Its Bock's Show

Continued from Page 11

rection the company will take. "One of the main questions is: What Bock will sell off and then once he does, what he will do with the money?" said Mr. Foulger of Robert Fleming.

Beyond that, some analysts said they doubted whether Mr. Bock, whose background has been almost exclusively in German property, is the man to transform Lonrho, which, among many other things, is the largest British investor in Africa. Others quietly question the huge values now put on some of Lonrho's nonmining assets by some analysts.

Mr. Utley of Nomura Research said such Lonrho holdings as its car distributor and its textile manufacturing units either lose money or barely break even. "You could argue," he said, "that if that is all these assets can earn then they are not worth much."

Convincing investors that most of the company's assets can produce decent returns, and that those that cannot will be disposed of, will be one of Mr. Bock's crucial tasks on Thursday.

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Wednesday's Closing
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(Continued)

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12 Month		Div		Yld P/E		50		High		Low		Latest Price	
High	Low	Div	Yld	P/E	50	High	Low	High	Low	High	Low	High	Low
1.20	1.10	1.20	1.10	1.20	1.10	1.20	1.10	1.20	1.10	1.20	1.10	1.20	1.10
1.30	1.20	1.30	1.20	1.30	1.20	1.30	1.20	1.30	1.20	1.30	1.20	1.30	1.20
1.40	1.30	1.40	1.30	1.40	1.30	1.40	1.30	1.40	1.30	1.40	1.30	1.40	1.30
1.50	1.40	1.50	1.40	1.50	1.40	1.50	1.40	1.50	1.40	1.50	1.40	1.50	1.40
1.60	1.50	1.60	1.50	1.60	1.50	1.60	1.50	1.60	1.50	1.60	1.50	1.60	1.50
1.70	1.60	1.70	1.60	1.70	1.60	1.70	1.60	1.70	1.60	1.70	1.60	1.70	1.60
1.80	1.70	1.80	1.70	1.80	1.70	1.80	1.70	1.80	1.70	1.80	1.70	1.80	1.70
1.90	1.80	1.90	1.80	1.90	1.80	1.90	1.80	1.90	1.80	1.90	1.80	1.90	1.80
2.00	1.90	2.00	1.90	2.00	1.90	2.00	1.90	2.00	1.90	2.00	1.90	2.00	1.90
2.10	2.00	2.10	2.00	2.10	2.00	2.10	2.00	2.10	2.00	2.10	2.00	2.10	2.00
2.20	2.10	2.20	2.10	2.20	2.10	2.20	2.10	2.20	2.10	2.20	2.10	2.20	2.10
2.30	2.20	2.30	2.20	2.30	2.20	2.30	2.20	2.30	2.20	2.30	2.20	2.30	2.20
2.40	2.30	2.40	2.30	2.40	2.30	2.40	2.30	2.40	2.30	2.40	2.30	2.40	2.30
2.50	2.40	2.50	2.40	2.50	2.40	2.50	2.40	2.50	2.40	2.50	2.40	2.50	2.40
2.60	2.50	2.60	2.50	2.60	2.50	2.60	2.50	2.60	2.50	2.60	2.50	2.60	2.50
2.70	2.60	2.70	2.60	2.70	2.60	2.70	2.60	2.70	2.60	2.70	2.60	2.70	2.60
2.80	2.70	2.80	2.70	2.80	2.70	2.80	2.70	2.80	2.70	2.80	2.70	2.80	2.70
2.90	2.80	2.90	2.80	2.90	2.80	2.90	2.80	2.90	2.80	2.90	2.80	2.90	2.80
3.00	2.90	3.00	2.90	3.00	2.90	3.00	2.90	3.00	2.90	3.00	2.90	3.00	2.90
3.10	3.00	3.10	3.00	3.10	3.00	3.10	3.00	3.10	3.00	3.10	3.00	3.10	3.00
3.20	3.10	3.20	3.10	3.20	3.10	3.20	3.10	3.20	3.10	3.20	3.10	3.20	3.10
3.30	3.20	3.30	3.20	3.30	3.20	3.30	3.20	3.30	3.20	3.30	3.20	3.30	3.20
3.40	3.30	3.40	3.30	3.40	3.30	3.40	3.30	3.40	3.30	3.40	3.30	3.40	3.30
3.50	3.40	3.50	3.40	3.50	3.40	3.50	3.40	3.50	3.40	3.50	3.40	3.50	3.40
3.60	3.50	3.60	3.50	3.60	3.50	3.60	3.50	3.60	3.50	3.60	3.50	3.60	3.50
3.70	3.60	3.70	3.60	3.70	3.60	3.70	3.60	3.70	3.60	3.70	3.60	3.70	3.60
3.80	3.70	3.80	3.70	3.80	3.70	3.80	3.70	3.80	3.70	3.80	3.70	3.80	3.70

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姓名	性别	年龄	籍贯	职业	住址	备注
王德胜	男	45	山东	农民	山东烟台	
李德胜	男	35	河北	工人	河北保定	
张德胜	男	55	河南	商人	河南郑州	
赵德胜	男	25	江苏	学生	江苏南京	
刘德胜	男	65	浙江	医生	浙江杭州	
陈德胜	男	30	安徽	教师	安徽合肥	
周德胜	男	40	江西	公务员	江西南昌	
吴德胜	男	50	福建	工程师	福建福州	
孙德胜	男	20	广东	记者	广东广州	
郑德胜	男	60	广西	农民	广西桂林	
冯德胜	男	30	湖南	工人	湖南长沙	
马德胜	男	40	湖北	商人	湖北武汉	
朱德胜	男	50	四川	学生	四川成都	
高德胜	男	20	云南	教师	云南昆明	
林德胜	男	60	贵州	医生	贵州贵阳	
周德胜	男	30	陕西	公务员	陕西西安	
吴德胜	男	40	甘肃	工程师	甘肃兰州	
孙德胜	男	20	宁夏	记者	宁夏银川	
郑德胜	男	60	青海	农民	青海西宁	
冯德胜	男	30	新疆	工人	新疆乌鲁木齐	
马德胜	男	40	内蒙古	商人	内蒙古呼和浩特	
朱德胜	男	50	吉林	学生	吉林长春	
高德胜	男	20	辽宁	教师	辽宁沈阳	
林德胜	男	60	黑龙江	医生	黑龙江哈尔滨	
周德胜	男	30	河北	公务员	河北石家庄	
吴德胜	男	40	山西	工程师	山西太原	
孙德胜	男	20	山东	记者	山东济南	
郑德胜	男	60	河南	农民	河南郑州	
冯德胜	男	30	湖北	工人	湖北武汉	
马德胜	男	40	湖南	商人	湖南长沙	
朱德胜	男	50	江西	学生	江西南昌	
高德胜	男	20	安徽	教师	安徽合肥	
林德胜	男	60	浙江	医生	浙江杭州	
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吴德胜	男	40	上海	工程师	上海浦东	
孙德胜	男	20	北京	记者	北京朝阳	
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马德胜	男	40	山西	商人	山西太原	
朱德胜	男	50	山东	学生	山东济南	
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孙德胜	男	20	天津	记者	天津和平	
郑德胜	男	60	河北	农民	河北保定	
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马德胜	男	40	山东	商人	山东济南	
朱德胜	男	50	河南	学生	河南郑州	
高德胜	男	20	湖北	教师	湖北武汉	
林德胜	男	60	湖南	医生	湖南长沙	
周德胜	男					

姓名	性别	年龄	籍贯	职业	文化程度	健康状况	婚姻状况	子女情况	其他
王德胜	男	45	山东	工人	小学	良好	已婚	2子1女	
李秀英	女	38	河北	农民	初中	良好	已婚	1子1女	
张国强	男	52	河南	干部	高中	良好	已婚	2子1女	
刘小红	女	28	江苏	教师	大学	良好	已婚	1子1女	
陈为民	男	40	浙江	商人	小学	良好	已婚	2子1女	
赵大刚	男	35	湖北	工人	初中	良好	已婚	1子1女	
孙丽娟	女	32	湖南	农民	小学	良好	已婚	2子1女	
周永年	男	58	四川	干部	高中	良好	已婚	2子1女	
吴小芳	女	25	广东	教师	大学	良好	已婚	1子1女	
郑为民	男	42	广西	商人	小学	良好	已婚	2子1女	
冯大刚	男	38	福建	工人	初中	良好	已婚	1子1女	
李秀英	女	35	江西	农民	小学	良好	已婚	2子1女	
张国强	男	50	安徽	干部	高中	良好	已婚	2子1女	
刘小红	女	28	山西	教师	大学	良好	已婚	1子1女	
陈为民	男	40	陕西	商人	小学	良好	已婚	2子1女	
赵大刚	男	35	甘肃	工人	初中	良好	已婚	1子1女	
孙丽娟	女	32	宁夏	农民	小学	良好	已婚	2子1女	
周永年	男	58	青海	干部	高中	良好	已婚	2子1女	
吴小芳	女	25	新疆	教师	大学	良好	已婚	1子1女	
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NTT Promises To Open Lines To Competitors

By Steven Brull

International Herald Tribune

TOKYO — The president of Nippon Telegraph & Telephone Corp. affirmed Wednesday that the company would open its local phone lines to all competitors, regardless of their business.

But rivals said NTT's statement was one of principle rather than practice, and that the domestic telephone colossus would try to restrict access in order to blunt competition.

"NTT can say it will provide access, but they're not very happy about doing that," said Sachio Semmoto, senior vice president and co-founder of DDI Corp., Japan's second-biggest telecommunications company. "They can make it impossible — through high prices, not processing paperwork, and so on."

NTT's president, Masashi Kojima, said Wednesday that the company would allow rival telephone, cable-television and data-transmission-service operators to tap into its nationwide network. His comments were a public affirmation of a Dec. 28 agreement with the Ministry of Posts and Telecommunications that ended NTT's historic claim to control network access.

NTT's concession followed years of fruitless negotiations with DDI, Japan Telecom Co. and privately held Telex Japan Corp., which sought permission to use the former government monopoly's lines for corporate data networks. Under intense pressure from a ministry concerned that the power and strength of NTT impeded development of advanced telecommunications services in Japan, NTT was forced to accept the principle of open access to its network.

In exchange, the ministry gave NTT something it desperately wanted: an increase in local phone rates, which remain extremely low by global standards. But while NTT will see its revenue from local calls increase, it is not clear to what extent consumers will be able to enjoy new and cheaper telecommunications services made possible through access to NTT's network.

While NTT has agreed in principle to open its network, the price of access is negotiable. If access charges are set at high levels, new services could be uncompetitive or simply not viable.

For the low-powered, mobile digital phones known as personal handy phones, a service where NTT competes with DDI and other companies, analysts say they expect NTT to demand access charges that will deny rival competitors a pricing advantage.

"It's managed competition," said Peter Wolff, senior analyst at CS First Boston (Japan) Ltd. "Consumers will pay."

For cable-television providers counting on revenues from telephone investments required to lay cable, NTT's control over pricing could make the difference between success and failure.

On Monday, Itochu Corp., Toshiba Corp., Time Warner Inc. and U.S. West International said they would invest 40 billion yen (\$400 million) in a joint venture to provide cable television in Japan. But access to NTT's network at a price that will allow competition with NTT is crucial to the entire business plan, Itochu executives said.

Japan Plans Rescue Bank
The Bank of Japan, Sumitomo Bank Ltd. and Shinkumori Federation Bank plan to set up a special rescue unit next week to bail out two ailing credit unions, Reuters reported.

Banking-industry sources said the new bank was likely to start operations sometime in February, headed by Hisayasu Noguchi, currently chairman of both ailing credit unions, Anzen Credit Bank and Tokyo Kyowa Credit Association. Leaders from the three founding banks will meet on Friday, the sources said.

The BOJ will provide 20 billion yen of capital for the new bank, Sumitomo 900 million and Shinkumori 600 million, the sources said. They said other private banks would invest additional capital later, with total investments eventually reaching 40 billion yen.

China Sets Grain Targets

The Associated Press

BEIJING — The key to increasing China's food production to meet the needs of its growing population is protecting farmland from development, the agricultural minister said in a report Wednesday.

China's arable land has long been small, compared with its population, and much of this land has been lost to industrial development and urban sprawl in recent decades.

Per capita farmland in China decreased from 0.018 hectares (0.04 acres) to 0.0086 hectares in the past 40 years, about one-third of the world's average farmland per capita, the Xinhua news agency reported.

China's rapid economic development and population growth of 15 million people per year will continue to erode the country's farmland, Liu Jiang, the agriculture minister, said.

He called for tougher measures to protect land needed for crops, especially grain, and emphasized a need for better pollution control.

China's goal is to be self-sufficient in grain. Its target is a grain production increase of 2.3

percent in 1995, to 455 million tons, and a 5.8 percent cotton production increase, to 4.5 million tons, Mr. Liu said.

Before 1993, grain imports were larger than exports. But in the past two years, China has become a net grain exporter.

The government last year encouraged farmers to grow grain and cotton by raising its purchase price of grain by 40 percent and cotton by 60 percent. Farmers had been unwilling to grow as much grain and cotton in recent years because of low profits.

China's leaders have promised more investment in agriculture and development of rural enterprises.

Part of the plan for agriculture is to try to attract overseas investment and to import foreign farm technology during its next five-year plan, from 1996-2000, Mr. Liu said.

Grain production in 1994 was down 10 billion kilograms (11 million tons) because of natural disasters, but production of cotton, oil-bearing crops, vegetables, meat and seafood increased.

Inflation Rate Falls in Major Cities

Bloomberg Business News

HONG KONG — The annual rate of consumer-price inflation in 35 major Chinese cities fell slightly in December, to 24.1 percent from 24.9 percent in November, the State Statistical Bureau of China reported Wednesday.

Inflation in major urban areas peaked in September, when 14 of the 35 major cities recorded year-on-year inflation rates above 30 percent. In December, only four of the 35 had an annual consumer-price inflation rate over 30 percent.

"China has passed the worst of the inflation, provided the government can continue its prudent monetary policy," said Ma Guonan, an economist with Peregrine Brokerage Ltd.

China's overall inflation rate for 1994 was 24.2 percent, according to preliminary estimates released by the government at the end of last month.

Mr. Ma said the country's inflation rate

was still being fed by last summer's poor weather, which pushed up food prices. Sharp higher wages for state employees also contributed to inflation, he said.

Efficiency Up, But Many Firms in Red

China's industrial efficiency rose in 1994 as output soared, but nearly a quarter of the nation's state-owned companies lost money, Reuters reported from Beijing.

Industrial output soared 17.5 percent in 1994, to 1.62 million yuan (\$190 billion), compared with a rise of 21.1 percent in 1993, the State Statistical Bureau said.

Output from the state sector grew 5.5 percent on the year, far more slowly than output for the private sector, which grew 21.4 percent, an official from the statistical bureau said.

The bureau admitted to setbacks in industrial development, saying that nearly a quarter of industrial enterprises — state-owned and collective — posted losses, although it said the numbers were dropping.

Chinese Court Raps Patent Violators

Reuters

BEIJING — A court in southern China has closed 20 factories that were found guilty of breaking laws governing intellectual property rights, the Xinhua news agency reported on Wednesday.

On Dec. 26, a court in Guangzhou ordered the factories to stop infringing a patent held by the Kangbao Electrical Appliances Factory, Xinhua said. The factories were ordered to be sealed along with all their products.

Kangbao was China's first factory to produce a device to sterilize food bowls and registered its patent three years ago, Xinhua

said. The company filed lawsuits against the 20 factories last year, claiming that they illegally used its invention.

China has recently mounted a publicity campaign to show it is seriously tackling violations of intellectual property rights as it faces a looming trade war with the United States, which says Beijing has not done enough to protect copyrights, patents and trademarks.

Talks between China and the United States are to resume on Jan. 18 in Beijing, and the state media have stressed that progress against piracy has been made but that the problem cannot be rapidly solved. Beijing last week ordered a national boycott of pirated goods.

Honda Homes In On Japan's Car Market

Bloomberg Business News

TOKYO — Honda Motor Co., the only Japanese carmaker that sells more cars in the United States than in Japan, said Wednesday it was aiming to boost its sales in Japan by almost 50 percent by the end of century.

Under a three-year plan scheduled to take effect in April 1996, Honda will work to increase its domestic auto sales to 800,000 cars a year, up 45.7 percent from its sales last year. Honda projected its sales in Japan in 1995 would rise 9.3 percent, to 600,000 cars, following a drop of 5.2 percent last year.

Honda also said it intended to maintain domestic production at about 1 million automobiles a year. Last year, the company manufactured 997,726 vehicles at home, down 13.3 percent. This year, Honda estimates production in Japan will rise to 1.06 million cars.

"We will work to build a new Honda in Japan," said Nobuhiko Kawamoto, president of the company.

Mr. Kawamoto said he anticipated that Honda's sales growth would be driven by recreational vehicles. Honda is a latecomer to the segment, which is growing in Japan. The company began selling its first minivan, the Odyssey, in October, but executives said Wednesday that more models are in the works.

Honda shares rose 10 yen, to 1,800 yen, on Wednesday.

The new strategy has been set at a time when Japanese carmakers grapple with declining profitability on exports, which have been hit by the yen's sustained surge. Meanwhile, companies are struggling to keep domestic production levels up in order to avoid what is called a hollowing out of Japan's manufacturing industries and the loss of jobs that would cause.

Mr. Kawamoto denied recent speculation that Honda was preparing to begin car production in China. "There has been no discussion about producing complete vehicles in China," he said.

(Bloomberg, AFP)

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
11000	2400	2200	2200	21000	21000
10000	2300	2100	2100	20000	20000
9000	2200	2000	2000	19000	19000
8000	2100	1900	1900	18000	18000
7000	2000	1800	1800	17000	17000
1994	1994	1994	1994	1994	1994
Exchange	Index	Wednesday Close	Previous Close	% Change	
Hong Kong	Hang Seng	7,382.75	7,541.72	-1.98	
Singapore	Straits Times	2,145.59	2,137.20	+0.40	
Sydney	All Ordinaries	1,859.30	1,855.70	+0.19	
Tokyo	Nikkei 225	19,548.47	19,501.45	+0.24	
Kuala Lumpur	Composite	925.50	923.38	+0.23	
Bangkok	SET	1,314.35	1,325.99	-0.88	
Seoul	Composite Stock	998.08	993.45	+0.47	
Taipei	Weighted Price	6,777.24	6,755.88	+0.30	
Manila	PSE	2,631.47	2,657.01	-0.96	
Jakarta	Stock Index	461.40	468.70	-1.58	
New Zealand	NZSE-40	1,945.18	1,924.16	+1.09	
Bombay	National Index	1,732.57	1,742.10	-0.55	

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

• Daimler-Benz AG is to invest more than 5 billion Deutsche marks (\$3.25 billion) in Asia, including taking a public listing in China and trading its shares in Singapore, said Edgard Reuter, the company's chairman.

• Orient Overseas Container Line Ltd., a Hong Kong shipping company, and American President Lines, a U.S. shipper, will launch their first direct trans-Pacific service to China since 1949 next month, docking at Yantian port, near Hong Kong.

• Komatsu Ltd. and International Business Machines Corp. are negotiating joint development of personal computers for use in factory automation, the Japanese company said.

• Sanyo Electric Co.'s president, Yasuaki Takano, said the company would report an operating profit for the year to November, reversing its 1993 loss of 19.4 billion yen (\$194 million). He also said the company planned to establish a telephone manufacturing venture in China.

• Marubeni Corp. and Nippon Paper Industries Co. of Japan plan to join a \$1 billion pulp project in Indonesia with Barito Pacific Timber Group.

• China will aim to curb steel imports to 10 million metric tons this year, half as much as last year, saying any greater volume would harm its steel companies, the official China News Service reported.

• China's tax revenue grew 25.5 percent in 1994, indicating the success of tax reforms which began at the start of last year, the official China Daily reported.

• China International Capital Corp., the first Chinese-foreign merchant bank is to be launched in February, the Xinhua news agency reported. The bank's biggest partners are Morgan Stanley Group and the People's Construction Bank of China.

• Bohai Brewery, China's largest bankrupt state-owned company, was sold at auction for 54 million yuan (\$54 million) to a venture involving Foster's Brewing Group of Australia.

• Fujitsu Ltd. plans to invest \$140 million during the next two years on a new plant in the Philippines to produce hard-disk drives for the global market. The company said it would set up a wholly owned subsidiary in the Philippines next month.

AFP, AP, Bloomberg

STUDIO: After Losses, Sony Tries to Redirect Its U.S. Film Operations

Continued from Page 11

a lid on the costs of new movies. With the exception of several costly films, most of the films in release are in the range of \$20 million to \$30 million.

On a broader level, Mr. Schulhof, who has been criticized by Wall Street and the entertainment community for his management style, the quality of his top-tier appointments in Hollywood and lavish buyouts of executives, has overhauled and in many ways repudiated numerous strategic decisions that the company has made over the past five years.

To diminish the financial risk, Sony, with about 30 films planned for release this year, is following the steps of other studios and is looking for financial partnerships on at least 10 films, Mr. Schulhof has said.

Although this would reduce the profit on hit films, it also would cut losses on flops. With costs rising — an average film costs \$30 million, with an additional \$15 million for marketing — companies are increasingly trying to hedge their bets.

Paramount Pictures, a division of Viacom Inc., has adopted a similar strategy in recent months.

Sony also seems to be scaling back its expectations. Executives close to the company said it was looking for an 8 percent to 9 percent return on assets, compared with earlier expectations of an 11 percent return.

Moreover, some Hollywood executives say Sony has hardly done enough to solve its difficulties and to change an open corporate culture. One executive at a rival movie company, who spoke on condition of anonymity, said Sony's overhead was still very high, compared with other studios.

A spokeswoman for Sony said Tuesday that management controls were "being implemented, and part of that is reflected in moves such as the consolidation of marketing and distribution" at Columbia and TriStar.

In recent months, Sony has laid off about 40 people after the studios' marketing and distribution sectors were merged. Hollywood executives have increasingly blamed Sony's woes over the past five years on Mr. Schulhof, a physicist who rose through Sony's electronics business and was a protégé of Sony's founder, Akio Morita.

Mr. Schulhof, who does not speak Japanese, is the only American on Sony's board. Associates say he has adopted the nonconfrontational style of his Japanese bosses.

One of Mr. Schulhof's first moves as president was the \$2 billion purchase in 1988 of CBS Records, a strong business with stars including Mariah Carey, Pearl Jam, Billy Joel and Michael Bolton. But a year later, Sony paid \$3.4 billion and assumed \$1.2 billion in debt, to buy Columbia and its sister company, TriStar, both then controlled by Coca-Cola Co.

Mr. Schulhof shocked Hollywood by appointing Jon Peters and Peter Guber, two producers who had never run a studio, to head the new movie division. Sony paid a staggering \$600 million to buy Guber-Peters Entertainment and to pay a rival studio, Warner Brothers, for their contract. Mr. Peters re-

signed from Sony in 1991 and Mr. Guber late last year. Mr. Guber had been criticized for buying out executives such as Frank Price, chairman of Columbia, and Mike Medavoy, chairman of TriStar, with payments as high as \$20 million.

Mr. Guber was criticized for naming his former lawyer, Mr. Levine, as his No. 2 executive, despite Mr. Levine's lack of experience in the movie business. He also appointed Mr. Canton, a friend and a Warner Brothers executive, to run Columbia.

Associates of Mr. Guber said that he was told by Mr. Schulhof to keep his hands off the day-to-day operations of the movie business and to give his executives autonomy.

But Sony executives said Tuesday that the hands-off role, coupled with Mr. Guber's appointments, had created a politically charged atmosphere that left decision-making in turmoil.

MCA and Matsushita Meet
MCA Inc. and its parent, Matsushita Electric Industrial Co., failed to address their troubled corporate relations in a meeting but will have to do so in the future, Bloomberg Business News quoted the electronics company as saying Wednesday from Osaka.

After a meeting of MCA's executive committee at Matsushita headquarters, Matsushita said the chairman and the president of the U.S. entertainment subsidiary had reviewed 1994 business. The committee, which includes three top Matsushita executives, also discussed an outline of 1995 business.

"Other matters were not scheduled for discussion but the two companies will have a chance to discuss these matters at some future time," Matsushita said. Japanese media reported in October that Matsushita had refused an MCA request that the U.S. unit's board be given management control.

The last time the MCA and Matsushita chiefs met, in San Francisco in October, they discussed but could not agree on control of the entertainment company, which Matsushita bought in 1990 for \$6.1 billion. Chairman Lew Wasserman of MCA and President Sidney Sheinberg, according to published interviews, have been frustrated by what they say is Matsushita's refusal to allow them to take decisions necessary to keep pace with other entertainment companies such as Walt Disney Co. and Time Warner Inc.

Addressing speculation that Mr. Wasserman might have threatened in October to let his contract with MCA lapse if Matsushita did not make concessions, Christine Hanson, an MCA spokeswoman, said, "Mr. Wasserman has not yet signed a contract for 1996," but that had nothing to do with Wednesday's meeting.

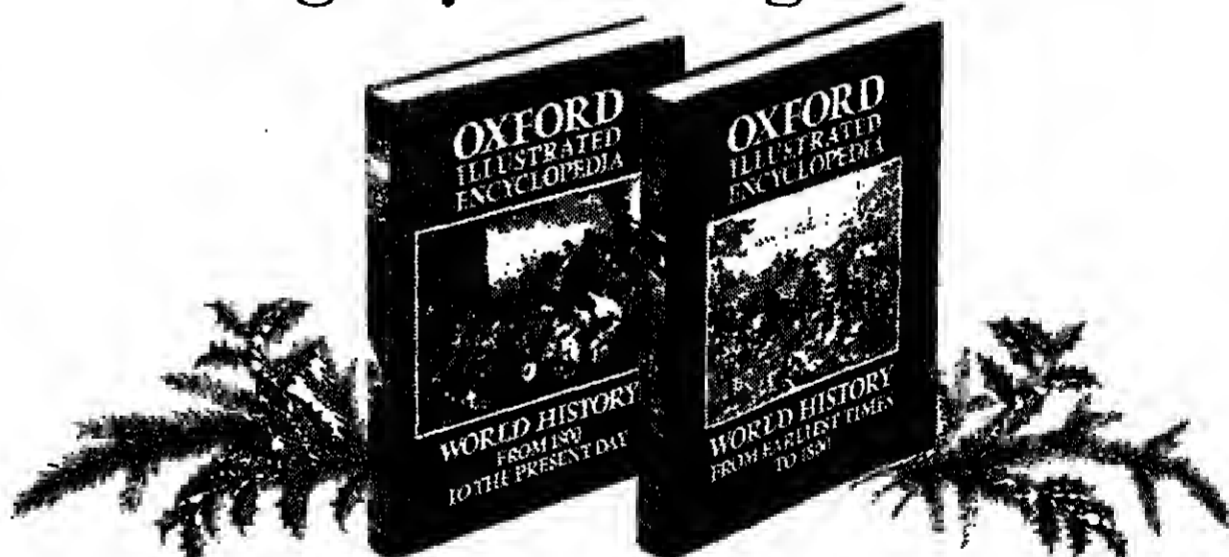
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Sources: Sony-owned studios; analysts' estimates

The New York Times

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Germany	D\$ 700	385
Greece	D\$ 210	115
Ireland	D\$ 75,000	41,000
Italy	D\$ 230	125
Japan	Y\$ 470,000	260,000
Luxembourg	L\$ 14,000	7,700
Netherlands	F\$ 770	420
Norway	N\$ 3,500	1,900
Portugal	P\$ 42,000	23,000
Spain	P\$ 85,000	47,000
Sweden	S\$ 3,100	1,700
Switzerland	S\$ 3,500	1,900
Switzerland	S\$ 610	335
Rest of Europe, except GB	S\$ 485	265
GB, North Africa, Eastern Europe, Middle East, India, South Africa	S\$ 630	345
Central and Latin America, South America	S\$ 780	430
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SPORTS

Big-Bucks America's Cup Rivals Take to the Sea

By Barbara Lloyd
New York Times Service

SAN DIEGO — In less than 90 days, six America's Cup yachting syndicates will probably be packing their bags for home. Each will have spent as much as \$30 million to win a boat race that ends up as a paper chase in a sea of debts and credits.

But that's what the America's Cup is all about. The 1995 elimination races are a gauntlet by any sporting standard. The Citizen Cup defenders trials are to begin Thursday in San Diego; the Louis Vuitton Cup challenges trials begin Saturday.

By April 1, two challenge syndicates and two defense teams will be left to sail their respective finals. Once those winners are determined, yachting will have its international challenger and American defender to race one-on-one for the America's Cup beginning May 6.

"The bucks are bigger now, and there is much more intensity in seeking perfection and trying to push the envelope," said John Bertrand, reflecting on the difference from when he won the America's Cup for Australia in 1983. "The environment of San Diego is certainly much lower key than Newport, Rhode Island, was, with its long traditions of the America's Cup. However, if you look at the professionalism now, it's many levels higher than in 1983."

The elimination trials have no mercy on the technologically impaired, or the psychologically vulnerable. When it comes right down to it, boat speed and a talented crew are what it takes to win. Good intentions, as it turns out, have not counted for much in the 144 years of America's Cup history.

If talent and experience were the only considerations, it would be easy to predict the final pairing for the cup series in May. The obvious matchup would be between the two stalwarts of a decade ago, Bertrand and the American skipper he defeated in 1983, Dennis Conner. Bertrand is 48 now, and Conner is 52. They are both eager for the kickoff of their 1995 campaigns in San Diego.

But the yachting landscape has changed since they last competed for the cup. The Australian victory in 1983 marked the end of a 132-year winning streak for the New York Yacht Club. And once the door swung open, other countries began to open the hinges to keep it open with more expensive and elaborate challenges.

Indeed, the 1995 lineup is impressive. The three defenders include Conner's Stars & Stripes; America 3, the first all-women's team in America's Cup racing; and PACT 95, a technically robust campaign based in Bangor, Maine.

But PACT 95 suffered a setback when a severe windstorm caused as much as \$400,000 worth of damage to its boat and compound along Mission Bay in San Diego. Still, the team

said it would be ready to begin sailing Friday.

Among the seven challengers, Bertrand and his one-Australia team have enlisted Rod Davis, a former New Zealand skipper and champion match-racer, as helmsman. And Syd Fischer, an America's Cup financier from Australia, has been training regularly with Bertrand.

Chris Dickson, 33, a determined New Zealander with two campaigns as an America's Cup skipper to his credit, leads the Kiwis' Tag Heuer Challenge.

And Russell Coutts, the world's No. 1-ranked match-racer, is sailing for Team New Zealand.

An international crew leads Japan's Nippon Challenge, including Peter Gilmour of Australia as coach.

In the French camp, Marc

Pajot, skipper of the France America syndicate, has overcome major calamities recently, including dockside damage to one of his new boats.

And Pedro Campos, skipper of the new Spanish boat, surprised skeptics in 1992 by making the semifinals.

Some of the skippers are adversaries of the first order. Conner and Dickson, for example, are seldom civil to each other in a public forum. It was Dickson, a relative upstart in the 1986-87 trial races in Australia, who nearly upset Conner's quest to bring back the America's Cup to the United States.

"He's the dark horse this time," Conner said recently. "I have no reason to pump him up since we've never gotten along. But I have a lot of respect for him. He's got a boat designed

by Bruce Farr, and he's quietly put together a campaign of his own."

Conner's victory over Dickson in the 1987 challengers trials allowed him to go on and defeat Australia's Kookaburra team in the cup match in Australia that year. The San Diego skipper then booked a first-class seat on a commercial airline to bring the America's Cup trophy back home to a new base at the San Diego Yacht Club, where the cup has remained ever since.

The early days of trial racing this winter will serve mainly as practice for the teams. Conner calls it "exhibition" racing, as spring training is to baseball, or preseason games are to the National Football League. "It gives everyone experience, but it doesn't matter much if they win or lose," he said.

The reason is largely because of a stingy scoring format in the beginning. Only 1 to 2 points are awarded for each boat that wins a race. But as the competition progresses into the third and fourth rounds, winning a race is worth up to 7 points.

"The idea is to win the cup, not the January trials," said Kevin Mahaney, skipper for Young America, the PACT 95 boat. The 75-foot yacht, christened during a ceremony in San Diego despite the damage by the storm, will be easy to spot on the water. Its hull sports a lavish graphic of a mermaid painted by the American pop artist Roy Lichtenstein.

The PACT 95 yacht is the only boat the syndicate plans to build. But other teams are coming into the trials with two \$4 million craft. A team can enter

only one of its sailboats at a time in the trials. And few of the teams are expected to show all they've got in the early days. They are likely to hold back on new sails or in putting the most advanced keels on their race yachts.

Team New Zealand already has both of its new sailboats in the water. In-house, the boats are known as Black Magic 1 and 2. If because of their jet-black hulls, but New Zealand's rivals already are calling whichever of the boats they think is the slower by the name Black Beast, not to be confused, of course, with Black Beauty.

The New Zealand program differs from others, such as the Japanese, which is looking for sparring partners until its second new boat arrives in late January.

"We thought it necessary to have two new boats early on so that if we change one boat, we can keep the other one as a standard," said Peter Blake, founder and manager of Team New Zealand. "Sometimes the changes are quite large. If we had only one boat and went out sailing against the Japanese, we wouldn't learn a thing."

The America 3 team is waiting for its new sailboat, scheduled to arrive in February. But the women have had a training partner in Kanza, a boat of the same vintage as America 3. Both yachts were developed by Bill Koch for his successful defense of the America's Cup in 1992.

J. J. Isler of San Diego, one of five women selected for the America 3 afterguard, a yacht's tactical brain trust, said recently that having a slower boat for the early trials is apt to help in the long run.

"It's like the tennis players who use a heavier racket for training," she said. "That's when you learn the most — when you have to get that extra speed out of an older boat."

UMass, No. 1 Again, Almost Loses Again

The Associated Press
Getting the No. 1 ranking is one thing, holding onto it is more trouble.

For the second time this season, Massachusetts almost blew it. Only late rallies in regulation and in overtime enabled the top-ranked Minutemen to beat St. Bonaventure, 81-76, Tuesday night.

"We should not have won. We were very fortunate," said the Massachusetts coach, John

COLLEGE HIGHLIGHTS

Calipari. "They wanted this game more than we did. We just had a little more depth."

The Minutemen won for the first time as a No. 1 team. They held that ranking earlier this season after beating defending national champion Arkansas, but immediately lost to Kansas.

Marcus Camby scored 7 of his 28 points in overtime for Massachusetts (9-1, 1-0 Atlantic-10). The Minutemen had trailed by 64-59 with 2:47 left in regulation, and were down by 75-71 with 2:24 left in overtime. "I thought it would be a good loss, a good lesson," Calipari said. "Then I slapped myself and said, 'There are no good losses.'"

SIDELINES

Romario's Transfer Still on Hold

BARCELONA (AFP) — Romario's move to Flamengo remained on hold Wednesday as FC Barcelona waited for \$5 million to arrive from Brazil to pay the transfer fee.

Flamengo's president, Kleber Leite, accused the rival clubs Vasco de Gama, Fluminense and Botafogo of putting pressure on Brazilian companies not to help finance the transfer.

The Spanish federation banned Barcelona's Hristo Stoichkov for two games for violent play against Real Madrid last weekend.

For the Record

Peter Shilton, suspended by the English second division club Plymouth since last Wednesday after failing to pay a tax bill of \$32,000 stemming from his signing fee in 1992, quit as manager. (Reuters)

Doug Williams, the former quarterback for the Washington Redskins, said he is leaving his job as an assistant coach at the Naval Academy to join the Scottish Claymores of the World League of American Football as wide receivers coach. The World League, backed by the NFL, resumes play in six European cities in April. (AP)

Mike Krzyzewski was released from the hospital after treatment for back problems stemming from disc surgery, but is not expected to coach the Duke basketball team for several weeks. (AP)

Japan's parimutuel betting ticket sales for horse races reached a record \$38.07 billion in 1994, up 1.6 percent from a year earlier, the Japan Horse Racing Association said.

Quotable
• Ian Baker-Finch, the pro golfer, on autographs: "I wish my name was Tom Kite."



Peter Blake of Team New Zealand and Pedro Campos, skipper of the Spanish boat, discuss the trials that begin Saturday.

SCOREBOARD

NBA Standings

EASTERN CONFERENCE

Atlantic Division

W	L	Pct	GB
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New York	19	12	.613	6
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Boston	13	19	.404	12½
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New Jersey	13	22	.361	14½
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Miami	10	21	.323	15
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Philadelphia	10	21	.323	15
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Washington	7	25	.219	18½
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Central Division

W	L	Pct	GB
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Cleveland	21	11	.656	—
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Charlotte	20	12	.625	1
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Indiana	19	12	.613	1½
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Chicago	17	15	.531	4
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Atlanta	13	19	.404	7
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Orlando	10	20	.333	10
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Milwaukee	10	22	.313	11
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WESTERN CONFERENCE

Midwest Division

W	L	Pct	GB
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Utah	22	10	.688	—
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Houston	20	10	.667	1
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San Antonio	19	10	.656	1½
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Denver	16	15	.516	5½
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Dallas	14	15	.483	8½
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Minnesota	4	25	.143	18½
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Pacific Division

W	L	Pct	GB
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Phoenix	23	7	.769	—
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Sacramento	22	9	.709	2½
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L.A. Lakers	20	10	.667	4
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Sacramento	18	13	.581	6½
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Portland	17	14	.548	7½
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TUESDAY'S RESULTS

W	L	Pct	GB
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Atlanta	22	17	.565	—
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Washington	28	29	.491	—
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Chicago	26	27	.491	—
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Cleveland	25	28	.468	—
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Charlotte	24	27	.444	—
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Chicago	24	27	.444	—
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Cleveland	24	27	.444	—
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Charlotte	24	27	.444	—
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Chicago	24	27	.444	—
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Cleveland	24	27	.444	—
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Charlotte	24	27	.444	—
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TUESDAY'S RESULTS

W	L	Pct	GB
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Atlanta	22	17	.565	—
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Washington	28	29	.491	—
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Chicago	26	27	.491	—
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Cleveland	25	28	.468	—
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Charlotte	24	27	.444	—
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Chicago	24	27	.444	—
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Cleveland	24	27	.444	—
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Charlotte	24	27	.444	—
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Chicago	24	27	.444	—
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Cleveland	24	27	.444	—
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Charlotte	24	27	.444	—
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Chicago	24	27	.444	—
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Cleveland	24	27	.444	—
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Charlotte	24	27	.444	—
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Chicago	24	27	.444	—
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Cleveland	24	27	.444	—
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Charlotte	24	27	.444	—
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Chicago	24	27	.444	—
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Cleveland	24
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SPORTS

Union Accepts NHL Offer, a Half-Season Appears Saved

Tennis's Vow
For '95: Woo
Back the Fans

By Robin Finn

NEW YORK — While Pete Sampras seeks to tighten his stranglehold on the pinnacle of men's tennis by reprising his 1994 Australian Open victory, and fend off the frightening apparition of a suddenly clean-cut Andre Agassi, Steffi Graf is already sidelined by injury and incapable of defending her sole Grand Slam crown of last year, a predicament that has left her No. 1 ranking vulnerable.

So begins this year's tennis soap opera. Despite receiving several black eyes for transgressions ranging from its nondemocratic modus operandi to its preoccupation with making cash cows of 14-year-old girls, tennis did not succumb to rumors of its impending demise in 1994.

Still, the sport has pledged to make itself, and its stars, more accessible in 1995, with both tours making a priority of courting fans rather than title sponsors.

And the men's side, in particular, is even looking into methods of slowing down the game so that it is once again discernible to the human eye.

As for a shifting cast of characters whose 1994 plot lines included a career rebirth (Agassi), an ill-fated hiatus into the drug culture (Jennifer Capriati) and two very disparate exits by two Czech-born champions (Martina Navratilova went out with a bang, Ivan Lendl with a whimper), only Monica Seles managed to treat the sport as if it has ceased to exist.

Whether or not she'll make 1995 the year of her return — the paranoia that ensued from her April 1993 stabbing has proven more crippling to the Seles family than the actual knife wound — remains a mystery.

So far, the women's game, which passed legislation admitting 14-year-olds to its tour immediately after admitting 14-year-old Martina Hingis and Venus Williams, has seemed to need her more than she needs it.

As of April, Seles will have been absent from the WTA Tour for two years, a span that feels like forever and, when coupled with Capriati's truancy, has made for a Top Ten that is somewhat less than compelling.

In the attempt to be more "fan-friendly" in 1995, the ATP Tour players have made a \$1.5 million contribution to its Kids' Fund, a program to increase tennis's appeal and a \$1.2 million investment by the U.S. Tennis Association (a group anxious to play down its country-clubbush ways by putting up a credible public front) in the Tennis Industry Association's drive to popularize the sport among youngsters.

Manufacturers are introducing starter rackets in the \$20 range, and anyone with a pair of baggy, wrinkled shorts and a baseball cap will fit the new streetwise profile of a player.

While grassroots support may have shriveled and nobody wore out enough graphite rackets to satisfy the appetite of the industry's merchandisers, it was business as usual at the elite level last year, where one didn't even need to finish No. 1 to make multimillions.

Aranxa Sánchez Vicario, who out-slugged top-ranked Graf by capturing both the French and U.S. Opens, also outearned her with a record intake of \$2,943,665. If she wins the Australian Open this month, Sánchez Vicario will become No. 1 in the world for the first time in her career.

And proving once again that the men's game has more money and more year-ending tournaments (thanks to the ego-driven ITF/ATP Tour schism) than is healthy, 24th-ranked Magnus Larsson of Sweden took advantage of the redundant Grand Slam Cup to win \$1.5 million for a single week's work.

As usual, the players complained that



A new-born, and premature balking, Andre Agassi, was further clipped Wednesday by Australia's Patrick Rafter, 6-3, 6-2, in an exhibition match in Adelaide.

they played too much — a predicament that affected their Davis Cup commitments yet rarely put a damper on exhibition appearances — but there was never any whispering about going on strike.

Aside from the money, which somehow continues to flow into the pockets of the stars regardless of worries about disappearing sponsors and waning television ratings, there were a few high points, and high intrigues, last season.

As unbeatable as he is uncontroversial, Sampras proved his mettle by leading the ATP Tour with 10 titles and owning the No. 1 spot for the entire calendar year despite a summer of abstinence due to a stubborn ankle injury. The last man to dominate the rankings with such constancy was Lendl, who held the top ranking throughout 1987; the last man to capture 10 titles in a single season was Lendl in 1989.

The 23-year-old Sampras has traced his shin splints to a tennis adolescence pursued on California's hardcourts, the spawning ground that made trouble for Tracy Austin before him. The 25-year-old Graf, who has often said that playing in pain undermines her motivation to play at all, has had to search for alternatives to back surgery.

"I'm too young for surgery," she said last week from her home in Boca Raton, Florida, where a calf-muscle injury sustained on the practice court forced her withdrawal from the Australian Open. Graf did not mention the jeopardy her health problems have caused to her ranking, which appears destined to land on the durable shoulders of Sánchez Vicario.

Though the presence of Sampras at the top has seemed to excite, this year there is a novelty hot on his heels in the form of Agassi, the player who practices reincarnation on a yearly basis.

By year's end, he had reached a career-best No. 2 in the world and even made a 1995 New Year's resolution to show up at the Australian Open for the first time.

All of that resurgence — Agassi's record of 14-5 against top 10 opponents was 1994's best — and philanthropy, too: He ended his season of discontent by making a \$1 million donation to the local Boys and Girls Clubs. Who could ask for anything more?

Navratilova played the final match of her 22-year singles career against Gabriela Sabatini in the opening round of the Virginia Slims Championships in November. But the match that spelled the end for Navratilova could very well be the harbinger of a 1995 renaissance by the under-achieving Sabatini.

Five days after she ousted Navratilova, Sabatini's moribund career took a turn for the better when she defeated 18-year-old Lindsay Davenport and finally ended what had occasionally appeared to be a career-threatening title drought that persisted through 43 events.

Graf predicted that Sabatini will be a renovated player in 1995: "It will probably change her confidence and her desire to get back on the court," she said.

It was two weeks earlier, in Philadelphia, that Capriati reaffirmed that she can still be a world-class player after a reputation-ruining 12 months that included two appearances on the police blotter and two stints in drug-rehab facilities.

But her tennis rehab remains an unfinished task: Last week a case of flu mandated Capriati's withdrawal from her first 1995 event, in Sydney, and Wednesday it was announced the illness would keep her out of the Australian Open.

But Capriati has indicated that, in 1995 she wants to try to get her kicks from tennis, the sport whose season never seems to end and whose critics never seem to tire.

NEW YORK — The players' union accepted Wednesday a contract offer made by the National Hockey League owners, ending a 103-day lockout and saving what would have been the first pro sports season lost to a labor dispute.

"We're happy that hockey is hopefully going to be played very soon," the president of the NHL Players' Association, Mike Gartner, said in making the announcement outside the union's office in Toronto.

The league's commissioner, Gary Bettman, said he was "thrilled that this is over and we can get behind us."

Gartner said a ratification vote on the six-year agreement would be held among the union's approximately 700 members and that no practices would begin until ratification was complete.

The union's executive director, Bob Goodnow, and its executive committee have recommended that the players accept the agreement. They will vote on it by secret ballot over the next two days, Bettman said.

Bettman said the season would start late next week, probably with a 48-game season and four full playoff rounds. The NHL normally plays an 84-game schedule.

Negotiators have until noon Friday to finalize all the details of the contract, said Glenn Sather, the general manager of the Edmonton Oilers. Camps could not open until then, he said.

"We thought it was a good deal," said Bob Corkum, the player representative for the Anaheim Mighty Ducks.

The agreement came a day after a marathon session in New York that involved proposals, counter-proposals and intense conference calls, with free agency the last major obstacle.

"Are we happy about the scars that have been created for the game of hockey?" said Gartner. "Are we happy about losing millions of dollars? Are we happy about the relations between owners and players has been severely hindered?"

"No, we're not happy about that. But we're happy that hockey is hopefully going to be played very soon."

The lockout began over the owners' demand for a cap on the players' salaries but, in the end, free agency was by far the most contentious issue.

The owners didn't want their players in become unrestricted free agents until after they turned 32 years of age. But the players wanted it at age 30. The contract the owners sent in players offered free agency at 32 in the first three years and at 31 in the last three.

Because either side has the right to scrap the agreement after the 1997-98 season, there might be only one year in which 31-year-olds have complete freedom.

Other key components of the contract: Three salary arbitration walkaways over each two-year period for players re-

ceiving awards of at least \$550,000. Clubs may use no more than two walkaways in any one year.

• An \$850,000 salary cap for first-round draft picks, increasing annually.

• A draft for 19-year-olds, with 18-year-olds having the option to get in.

The agreement did not include any retroactive pay for the players, who have been locked out since Oct. 1.

"I still have mixed feelings," Corkum said. "A lot of guys will be hurt. At the same time something had to be done. We didn't think it was worth missing a season for it. We can live with it."

"I don't think that we compromised. It was the best deal that Bob Goodnow could get. And now we're playing hockey."

After months of sometimes bitter negotiating, the owners had set a deadline of noon Tuesday for an agreement to be reached. That deadline went by amid feverish contract talks between Bettman and Goodnow. The main negotiators met for more than 20 hours and fashioned an agreement that was presented to the league's board of governors on Tuesday.

During the first of two conference calls Tuesday, they owners voted down a proposal that Bettman and Goodnow had hammered out. In the second, they approved a more restrictive six-year contract, which was sent to the players Tuesday night as a take-it-or-leave-it offer.

Chargers Say They're Back in High Gear

By David Aldridge

WASHINGTON — Have the San Diego Chargers righted themselves in time to go to Pittsburgh this weekend and beat the Steelers in the American Football Conference championship game?

That is yet to be determined, of course. But in their comeback from a 22-21 victory over Miami, the Chargers did look more like the bunch that started the season 6-0 than the one that stumbled to a 500 record over the last 10 games.

Quarterback Stan Humphries, who's had thumb and elbow problems the last two months, looked healthy and strong of arm. The defense was opportunistic and the line pressured Miami's Dan Marino in the second half.

Most importantly, San Diego got its running game going again. Big Natrone Means hadn't had a 100-yard rushing day in the season's last seven weeks, but came through against the Dolphins with a career-high 139 yards. And the Chargers held the football for 22 minutes in the second half.

That kind of ball control was instrumental in their early season success.

"I don't think our confidence ever left us," Means said. "I

think everybody else's confidence in us was tested a little bit. But we know what kind of team we have. We know we can win games. We've had confidence in ourselves all year because we have great guys around us, and we're playing for each other."

The Chargers think there's been a bit too much protesting about how they finished the season. They lost back-to-back games, to the Raiders and

49ers, with a chance to clinch the AFC West, but they did beat the Jets in New York and the Steelers here in the final two weeks to get a first-round bye.

"We had to do something right to win those games," said their coach, Bobby Ross.

But the Chargers are well aware that the Steelers kept a lot of their starters out of the 37-34 loss in Jack Murphy Stadium on Christmas Eve. Be-

cause the Steelers had already ensured themselves of playing at home throughout the playoffs, the game was crucial only to the Chargers.

"I know that we're already heavy underdogs and probably very few people believe we can win," Ross said. "I believe we can win. And I believe our players believe they can win."

But the Chargers may be without one of their starters, defensive tackle Shawn Lee. He injured his left knee against the Dolphins and had arthroscopic surgery. He's between questionable and doubtful for the Steelers, but important to a defense that has a streak of 28 consecutive games without allowing a 100-yard running day. That dates from the fifth game of the 1993 season, when Pittsburgh's Barry Foster ran for 110.

San Diego's offense also will have one of its biggest challenges of the season against Pittsburgh. The Chargers have pockets of youth — rookie guard Isaac Davis and second-year Isaac Joe Coccozo — in the midst of veterans such as center Courtney Hall and tackle Stan Brock. That line will have to be in concert with itself and its backs to handle the Steelers' blitz, when linebackers and defensive back come from all directions.

49ers: Rain, Rain, Go Away

The Associated Press

TEMPE, Arizona — The series of storms that dumped so much rain on Northern California drove the San Francisco 49ers to forsake their practice facility at Santa Clara, California.

Then, in a development anticipated by Murphy's Law — which states that anything that can go wrong will — the storms followed them south.

The National Weather Service said the rain expected across the desert Wednesday was part of "the storm track responsible for moving a series of weather systems onto the California coast."

The 49ers had planned to stay in Santa Clara all week to prepare for Sunday's NFC championship game against the Dallas Cowboys. But their practice fields became waterlogged and, faced with an unrelenting rain, they flew to Tempe on Tuesday night to use the facilities of the Arizona Cardinals in a desert where the chambers of commerce advertise 300 sunny days a year.

The 49ers will practice here through Thursday before returning to Santa Clara. Although they might not get the sun tans they envisioned, Robert Will, a weather service meteorologist in Phoenix, said the weather should be better than what the 49ers left behind.

Steelers Running, Too — Much Like a Bulldozer

By Gerald Eskenazi

PITTSBURGH — Ron Erhardt's football career has been funny bounces. He has gone from being the 60-year-old forgotten man on the staff of the New York Giants to becoming the wise old offensive coordinator of the Pittsburgh Steelers.

The Steelers are the team with the best record in the American Conference and are favored to win the AFC championship game against the San Diego Chargers on Sunday and advance to the Super Bowl.

When Bill Cowher, who is 26 years younger than his coordinator, hired Erhardt in 1992, his message was simple: "You've been in the playoffs. You've been in Super Bowls. The only thing I'm telling you is we want to run the football."

And that's exactly what the Steelers did in their 29-9 playoff victory over the Cleveland Browns. They held the ball for more than 42 minutes, and ran 51 times for 238 yards. Fifty-one rushes? The Browns didn't even have 51 plays.

"We've got the top rushing offense in football," Erhardt said. "Our offense committed the fewest turnovers, only 17. In fact, that might be the lowest in NFL history."

Erhardt, now 63, is proud — one might

even say fiercely so — of what the Steelers have accomplished and his role in it. Not so long ago, it was very different for him.

Erhardt, remember, was the Giants' offensive coordinator from 1982 to 1990, and a key figure in their Super Bowl seasons of 1986 and 1990. Earlier, he had been the head coach of the Patriots for three seasons, with 9-7 and 10-6 records that made the playoffs, before a final losing season and dismissal.

But when Bill Parcells suddenly quit as the Giants' coach and Ray Handley was elevated to the position, Handley decided to act as his own offensive coordinator.

Erhardt was kept on, but he had no major job except to scout the upcoming opposition on film. On game days, he was up in the box with the other coaches, but he was linked by phone only to the special teams' coach. When the 1991 season ended, so did his tenure with the Giants. Then Cowher gave him a new mission.

"My philosophy is you pass to score touchdowns but you run to win," Erhardt said. "We've got a mindset mentality to stay with the run, even if it doesn't work at first."

With a line averaging almost 300 pounds (136 kilograms), it will eventually, especially with Barry Foster, and the 280-pound tight end Eric Green, and with

quarterback Neil O'Donnell finally comfortable under Erhardt.

O'Donnell came up under the coaching of Chuck Noll and a smallish offensive line that specialized in trap blocking. Then he played under Joe Walton, the offensive coordinator who believed in a sophisticated, varied approach.

Now, there is Erhardt who keeps the pressure off O'Donnell by rarely making him the focus of the attack. The Steelers ran 546 times this season and threw only 370. In more than 900 plays, they were intercepted only nine times and fumbled away the ball eight times. The only conference team remotely close to Pittsburgh in not turning over the ball is San Diego, which lost it 23 times.

Numbers like these have given Erhardt a sort of celebrity status in Pittsburgh, which prizes down-and-dirty football.

And if the AFC is to win its first Super Bowl in 11 years, it will take a mistake-proof offense, something like today's Steelers — or the Giants of some years back.

Asked what he learned about himself during his year in limbo under Handley, Erhardt said: "There are things you can't control. I didn't lose confidence in myself. You've got to be a player in New England. You go to Super Bowls with the Giants. You say to yourself, 'Don't give up.'"

CROSSWORD

ACROSS
1 More pronounced
7 Ladies
13 Law of the land

14 Run
16 Proceeds as in a car chase
17 They can't be best

18 Bird: Prefix
19 Pre-Bond
20 Movie role, with "the"

21 "On Boxing" author
22 Zodiac animal
24 Wooden Mortimer
26 Like autumn leaves
27 Adam's apple warmer
28 Succession of wins
31 90's cartoon character
32 Yankee #9
34 Governor of Vermont
36 New Hampshire's "Live Free or Die" motto
38 Sesame Street product
41 Jalapeño hot stuff
44 San Antonio sobriquet
45 Director Lubitch
47 Ugly looks
49 Iron pumpkin's routine
51 Golden (retiree)
53 Turkey meal request
54 Varsity
56 Giving the once-over
58 Year in Canine's life
59 Duddigan's illustrator
61 Utah emblem
63 Half of broadcasting

20 Movie role, with "the"

21 "On Boxing" author

22 Zodiac animal

24 Wooden Mortimer

26 Like autumn leaves

27 Adam's apple warmer

28 Succession of wins

31 90's cartoon character

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41 Jalapeño hot stuff

44 San Antonio sobriquet

45 Director Lubitch

47 Ugly looks

49 Iron pumpkin's routine

51 Golden (retiree)

53 Turkey meal request

54 Varsity

56 Giving the once-over

58 Year in Canine's life

59 Duddigan's illustrator

61 Utah emblem

63 Half of broadcasting

64 Was useful

65 Canary's cousin

66 Greased the roast

DOWN

1 Throwback

2 Dance with dips and leaps

3 New Mexico's — Lake

4 Amer. election day

5 Lab heaters

6 Oozings

7 Habitants' home

8 Compliment, in. way

9 Opeley's disk

10 Prunings

11 Total control

12 Three-card monte still

13 La — Milan

14 Palestine

15 Just-born cow?

16 Ibsen, for one

17 Hockey great Potvin

18 Champion's claim

19 Kind of farm

20 Prickly pear

21 Sniggled

22 Peeble fruit

23 Class levels

24 Prepares for a fall

25 Tax form deduction

26 About 6,080 feet

27 Hill town

28 Like certain customs

29 Want downhill

30 Better balanced

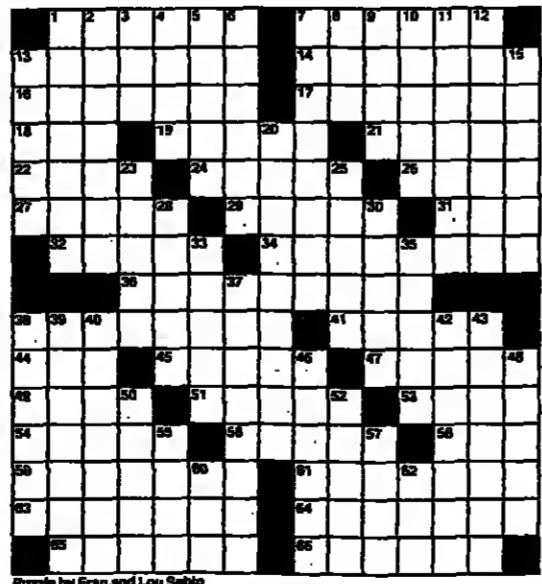
31 1963 Indy 500 champ

32 Small model

33 Dude

34 Strauss's "Heidenleben"

35 Holed up



Solution to Puzzle of Jan. 11

ACROSS
1 MORE PRONOUNCED
7 LADIES
13 LAW OF THE LAND
14 RUN
16 PROCEEDS AS IN A CAR CHASE
17 THEY CAN'T BE BEST
18 BIRD: PREFIX
19 PRE-BOND
20 MOVIE ROLE, WITH "THE"
21 "ON BOXING" AUTHOR
22 ZODIAC ANIMAL
24 WOODEN MORTIMER
26 LIKE AUTUMN LEAVES
27 ADAM'S APPLE WARMER
28 SUCCESSION OF WINS
31 90'S CARTOON CHARACTER
32 YANKEE #9
34 GOVERNOR OF VERMONT
36 NEW HAMPSHIRE'S "LIVE FREE OR DIE" MOTTO
38 SESAME STREET PRODUCT
41 JALAPEÑO HOT STUFF
44 SAN ANTONIO SOBRIQUET
45 DIRECTOR LUBITCH
47 UGLY LOOKS
49 IRON PUMPKIN'S ROUTINE
51 GOLDEN (RETIREE)
53 TURKEY MEAL REQUEST
54 VARSITY
56 GIVING THE ONCE-OVER
58 YEAR IN CANINE'S LIFE
59 DUDDIGAN'S ILLUSTRATOR
61 UTAH EMBLEM
63 HALF OF BROADCASTING
64 WAS USEFUL
65 CANARY'S COUSIN
66 GREASED THE ROAST
DOWN
1 THROWBACK
2 DANCE WITH DIPS AND LEAPS
3 NEW MEXICO'S — LAKE
4 AMER. ELECTION DAY
5 LAB HEATERS
6 OZZINGS
7 HABITANTS' HOME
8 COMPLIMENT, IN. WAY
9 OPELEY'S DISK
10 PRUNINGS
11 TOTAL CONTROL
12 THREE-CARD MONTE STILL
13 LA — MILAN
14 PALESTINE
15 JUST-BORN COW?
16 IBSEN, FOR ONE
17 HOCKEY GREAT POTVIN
18 CHAMPION'S CLAIM
19 KIND OF FARM
20 PRICKLY PEAR
21 SNIGGLED
22 PEEBLE FRUIT
23 CLASS LEVELS
24 PREPARES FOR A FALL
25 TAX FORM DEDUCTION
26 ABOUT 6,080 FEET
27 HILL TOWN
28 LIKE CERTAIN CUSTOMS
29 WANT DOWNHILL
30 BETTER BALANCED
31 1963 INDY 500 CHAMP
32 SMALL MODEL
33 DUDE
34 STRAUSS'S "HEIDENLEBEN"
35 HOLED UP

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The Glamorous Women With Milk Mustaches

though Salvador is far from embar-

ists. Otherwise, I adore that country."



The Associated Press

The translation includes 6,000 footnotes to help readers understand the work, the official Xinhua news agency reported.

"Nothing. Aod that seems to be the problem. Toymakers are liable for anything that they manufacture, but bullet makers can peddle any kind of ammunition they want to even if it kills them."

been after him for years. A writer-friend collaborated on the book, af-

though Salvador is far from embar-

ists. Otherwise, I adore that country."

by Fred Astaire — but Americans do not recognize ours. They are imperial-

South America with the French band-leader Ray Ventura. "Pure luck. The

play *boules* in the Bois de Boulogne and look at the broads. Great broads in Paris."

Juan Carlos, who was cited for his role in promoting democracy and upholding minority rights in Spain. The two will split the 800,000 francs (\$150,000) in prize money.

Plates Puns leading to resort village. Art/Artificial snow
Reports supplied by the Ski Club of Great Britain

The Left Bank.

Fine cuisine.

Romantic sunsets.

Who could blame you
for missing Buffalo?

[illegible]